

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,602

Thursday April 18 1985

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Time ripe for reform  
in USSR under  
Gorbachev, Page 25

## World news

## Business summary

### Peres and Mubarak may hold summit

Israel Prime Minister Shimon Peres and Egyptian President Hosni Mubarak are expected to hold a summit meeting next month. A top-level team is being established to make intensive preparations to ensure the success of the talks, according to a senior official in Jerusalem.

### Greek poll in June

Greek Premier Andreas Papandreu said he would seek a general election in the first half of June, four months before his Socialist Government's term expires.

### Bonn veto threat

West German Defence Minister Manfred Wörner told parliamentarians he would veto the controversial U.S. fighter aircraft identification system planned for NATO, unless it was substantially modified.

### Angola withdrawal

South Africa formally withdrew its last soldiers from Angola, while President P. W. Botha prepared to tell parliament today of his Government's response to proposals for an interim independent Namibian Government. Page 3

### EEC 'afraid'

Turkish Prime Minister Turgut Ozal said the EEC was delaying a thaw of relations with Turkey because "they are afraid we will make our application" to enter the Community.

### Japan warned

Dutch Prime Minister Ruud Lubbers warned Japan not to underestimate anti-Japanese feeling in Europe resulting from the trade imbalance. Page 2

### French build-up

France is studying a plan to increase its military presence in the troubled South Pacific territory of New Caledonia, officials said.

### Indian spy ring

A total of nine diplomats from the Soviet Union, France, Poland and East Germany were involved in India's spy ring uncovered this year, according to charges against Indians involved in the scandal. Press Trust of India reported.

### Pakistan riots

Two days of rioting in Karachi have left nine dead and about 100 wounded, as students protested after a fatal bus accident. Page 3

### Libyan expelled

Libyan diplomat ordered out of Britain after last year's Libyan People's Bureau police siege in London, was expelled from Belgium where he had been living illegally since February.

### Soviet pledge

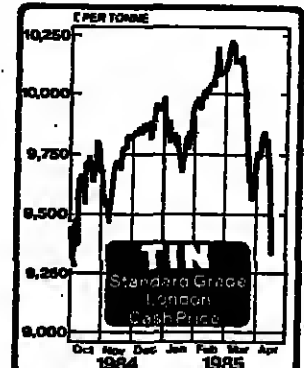
Soviet Union has told the U.S. it will not permit the future "use of force or weapons" against American military liaison staff in East Germany, but has not apologised for the shooting of a U.S. Army major three weeks ago. Page 6

### Arms pact

The U.S. and Israel are planning joint development and production of missiles, submarines and patrol boats, to cut costs in updating both navies, according to Mr John Lehman, the U.S. Navy Secretary.

### Rothschild Holdings buys stake in Tootal

J. ROTHSCHILD Holdings, investment company controlled by Mr Jacob Rothschild, acquired a 6.4 per cent stake in Tootal, the British textile group which is the target of a £128m (\$162.5m) takeover offer from Entrad, the Australian textile company. Page 26



TIN fell £180 (\$237.5m) a tonne in London to £935, reflecting a decline in the Malaysian market and investment fund selling. Page 48

LONDON equities gained more ground on interest rate hopes, but gilts tended mixed-to-lower. The FT Ordinary index rose 0.3 to 988.8. Section III

TOKYO shares rebounded, led by a rise in oil and gas issues. The Nikkei-Dow market average rose 94.78 to 12,802.06. Section III

WALL STREET: at 3pm the Dow Jones industrial average was up 1.54 at 1,271.09. Section III

DOLLAR was slightly weaker in London, falling to DM 3.0285 (DM 3.03). FRF 2.25 (2.2475), SwFr 2.525 (SwFr 2.5245) and T249.55 (T249.5). On Bank of England figures the dollar-exchange index rose to 144.1 from 144.0. Page 49

STERLING gained 35 points against the dollar in London to close at £1.2785. It was also firmer at DM 3.0285 (DM 3.0275), FRF 2.25 (FRF 2.2475), SwFr 2.525 (SwFr 2.5245). The pound's exchange rate index rose 0.3 to 144.1. Page 49

GOLD rose \$2 an ounce on the London market to finish at \$329.25. It was lower in Zurich, however, at \$327.05. Page 48

MALAYSIA announced reforms to reduce export duty expected to save producers between 200m and 300m ringgit (\$80m-\$120m) in taxes this year. Page 48

INDIA will invite fresh tenders for a proposed 1,718km cross-country natural gas pipeline, worth about \$1.2bn. Page 7

JOHN SHAD, chairman of U.S. Securities and Exchange Commission, told a Senate committee that the recent failures of two Treasury bond-dealing firms "may exacerbate" problems in government securities market.

TWO Saudi petrochemical plants operated by Eastern Petrochemical Company, a joint venture between the Saudi Arabian state corporation, Sabic, and a Mitsubishi-led Japanese consortium, have been completed ahead of schedule.

NOVA-PARK, debt-ridden Swiss group which owns luxury hotels in Zurich and Paris, was declared bankrupt by a Swiss court. Page 26; Background, Page 20

A. P. MÖLLER, leading Danish shipping, oil, gas and industrial group, lifted annual earnings to a record Dkr 1.1bn (\$101.6m) compared with Dkr 930m in 1983.

BANK OF AMERICA and Bankers Trust won the contested mandate to arrange a \$500m, seven-year Euro-note issuance facility for Unilever, the food and consumer products group. Page 50

RIO TINTO-ZINC, British-based mining and industrial group, lifted pre-tax earnings 16 per cent in 1984 to £370.3m (\$637.5m) and increased its dividend. Page 32; Lex, Page 26

## Satellite mission failure may cost insurers \$92m

BY PETER MARSH IN HUNTSVILLE, ALABAMA, AND JOHN MOORE IN LONDON

THE SPACE shuttle Discovery is due to return to Earth tomorrow after yesterday's failure to redeploit a satellite in a dramatic rendezvous 250km out in space.

Insurers in London were yesterday assessing the possible losses, which could result in \$92m in claims.

The incident throws more doubt on the shuttle's ability to put space craft safely into orbit and may lead to an increase in insurance rates for satellite launches.

Already insurance premium rates, which have risen sharply in the last year, range between 10 per cent and 20 per cent of the value of the satellite.

Hughes Aircraft Company, the

owner of the satellite, had insured the craft through Marsh & McLennan, the U.S. insurance broker and its London space subsidiary, Bowring Space Projects. About 30 per cent of the insurance is placed with International Technology Underwriters in Washington, D.C., but more than half the insurance is placed in Lloyd's and London insurance companies. The leading underwriter on the business in London is understood to be Mr Stephen Merrett and his Lloyd's insurance syndicates.

The spacecraft, a Leasat vehicle built by Hughes to rent for the U.S. Navy, is likely to be left drifting in space until it burns up in the

Earth's atmosphere in about eight years.

It is the fourth time in about two years that one of the U.S. fleet of three space shuttles has failed to eject a satellite into the correct orbit.

During that time insurance groups have had to pay out \$222m for three total losses in 1984.

Although the shuttle vehicles have been faultless, problems have arisen with the separate rocket motors on board some of the satellites carried by the vehicle.

The motors are supposed to push satellites from the low orbit of about 250km reached by a shuttle to a height of 36,000km above the Earth, which is the most popular place for communications satellites.

As a result of such incidents, the backers of Ariane, Western Europe's satellite-launch vehicle, have claimed that complicated launch systems such as the shuttle are inherently prone to faults.

Discovery jettisoned Leasat into space last weekend as planned, but a switch on the satellite failed to deploy so preventing the booster motors from firing.

Yesterday astronauts tried to trigger the switch with a makeshift tool attached to the shuttle's mechanical arm.

The manoeuvre, in which the shuttle drew alongside the satellite, at a distance of only about 10 metres, was abandoned after pieces of plastic in the tool made contact

with the switch but failed to start up the firing sequence.

A spokesman for the National Aeronautics and Space Administration (Nasa), the operator of the shuttle fleet, said further attempts to rendezvous with the satellites had been ruled out.

A Hughes spokesman said the company would open discussions with its insurance underwriters about the possibility of mounting a rescue mission for the stricken satellite. But engineers at both Hughes and Nasa say that such a mission is unlikely because of the dangerous fuel on the spacecraft and because it lacks power for communications equipment via which ground stations could send commands.

## World needs large and sustained fall in \$ - IMF

BY STEWART FLEMING, IN WASHINGTON, AND MAX WILKINSON, ECONOMICS CORRESPONDENT

A SUBSTANTIAL long-term decline in the real value of the dollar is needed to bring the U.S. trade account back into a more reasonable balance, the International Monetary Fund said yesterday.

In its latest World Economic Outlook, released in Washington, the IMF warns that, without a sustained decline of the dollar from recent high levels, the U.S. payments on mounting foreign debt would make its current account problems "self-perpetuating," with destabilising consequences for the rest of the world.

Even if the dollar declines "at a steady rate of 5 per cent a year in real terms (after adjusting for inflation rates) the U.S. external deficit would still be a huge 3 per cent of GNP by the end of the decade."

The IMF strongly rejects the recent U.S. arguments that exchange rates should be left to market forces, pointing out that the imbalances resulting from this policy are "without historic precedent."

In a clear reference to studies of the world monetary system, now at an advanced stage within the Group of Ten major industrial powers, the Fund says that in future the implications of domestic policy for exchange rates and the balance of payments must have a high priority.

It clearly wishes to give encouragement to proposals by Group of Ten officials to give the IMF a tougher policing role and it seems to want this to be more closely linked to questions of desirable exchange rates.

Mr James Baker, the U.S. Treasury Secretary, yesterday gave a further indication that the new team at the Treasury is prepared to be more flexible on these issues. It is stressed by his officials, however, that the Reagan Administration does not support a major upheaval in the present world monetary order.

Mr Baker told the IMF's policy-making interim committee at its opening session in Washington yesterday: "We firmly believe that IMF surveillance can play a key role in encouraging the adoption of sound economic policies in all of our countries."

He said that the "high-level meeting of the major industrial countries," which he proposed in Paris last week, would be aimed at strengthening the IMF and would lead to a debate within the Fund's orbit.

In its latest Outlook, the Fund warns European countries not to be seduced by calls for fiscal retrenchment along the lines of that practised in the U.S. in recent years.

It says that other countries are not in the same position to attract foreign savings and would not, therefore, be as able as the U.S. to combine a widening fiscal deficit with a boom in private investment.

The Fund stresses the need for continued disciplined financial policies in Europe, with better discipline in the U.S.

It says: "A significant shift in European countries' fiscal policy, such as to make a sizeable dent in existing unemployment levels, would rekindle longer-term fears about the trend in debt and the dangers of monetisation."

Although a small shift in fiscal policy might avoid these dangers, it would have only a marginal effect on growth and could well undermine the credibility of financial policy.

Mr Nigel Lawson, the UK Chancellor of the Exchequer, also stressed to the IMF interim committee the need for continued disciplined policies to build on the gains achieved in the last few years.

## National Intergroup merger collapses

By Terry Dodsworth in New York

MERGER PLANS between National Intergroup, the Pittsburgh-based steel group, and Bergen Brunswig, a Los Angeles drugs and consumer electronics company, collapsed yesterday after a deterioration in the steel company's profits performance.

In a joint statement the two companies said that they had "mutually agreed" not to proceed with the merger and were engaged in discussion "with a view to an orderly and satisfactory termination" of their agreement.

The announcement was the second serious blow to Pittsburgh's steel sector within 24 hours, coming shortly after Wheeling-Pittsburgh's filing for protection from creditors under Chapter 11 provisions of the U.S. bankruptcy code.

Only last week National said that it was being forced to revise its income statement for 1984 because of "unauthorised" commitments to purchase aluminium ingots. The revision reduced earnings by \$28.8m, reducing them to \$13.7m, reflecting charges that the company was required to take after an audit of the aluminium contracts.

Mr Howard Love, chairman of National, and Mr Emil Martini, chairman of Bergen Brunswig, said yesterday that the decision to cancel the merger had also been influenced by deterioration in the steel company's earnings in the first quarter of this year.

National said that it was expecting to report a loss of about \$1.5 a share for the quarter - the equivalent of about \$20m. Mr Love said, however, that he believed earnings would improve in the second half of the year and that the group would show a profit for the full year.

National's abortive deal with Brunswig was the most adventurous of the diversification and merger strategies so far proposed in the hard-hit U.S. steel industry. The company has been trying to diversify out of steel for several years, moving heavily into the financial services sector. Last year it sold half of its steel subsidiary to Nippon Kokan (NKK) of Japan.

The agreement with Bergen Brunswig was aimed at bringing National's cash resources to the support of the expansion of a rapidly-growing distribution business.

## UK group and Westinghouse in N-venture talks

BY DAVID FISHLOCK, SCIENCE EDITOR, IN LONDON

THE NATIONAL Nuclear Corporation, a consortium which designs and builds nuclear stations in Britain, is discussing a British-based joint enterprise with Westinghouse Electric of the U.S., the world's leading nuclear contractor, that could lead to important export contracts for British companies.

Initially, the new enterprise would design and construct the nuclear steam supply system for the proposed Sizewell B pressurised water reactor power station in Suffolk, in eastern England, assuming the £1.2bn (\$1.53bn) project is given the government go-ahead.

The £200m contract would be on a fixed price basis, the first on the nuclear front for the consortium since it was set up in 1974.

International nuclear contracts are invariably on this basis. The consortium, however, which at present operates virtually as a captive arm of the Central Electricity Generating Board (CEGB), is undertaking its current domestic contracts on a cost-plus basis. That means that the customer shoulders all the financial risk.

Talks are to start next week on the venture, in which Westinghouse would initially have a 90 per cent shareholding. But the NNC's shareholding would grow rapidly with each successive contract for a station of the Sizewell B design.

If it goes ahead it should facilitate access for British nuclear companies to contracts for overseas PWR stations, for sub-systems and components rather than complete PWRs.

Most nuclear stations today are financed and manufactured by several different countries. The last

eight Westinghouse PWR contracts have involved multi-source financing, and engineering contracts have followed the sources of finance, the company says.

The major shareholders in the National Nuclear Corporation in addition to the UK Atomic Energy Authority include General Electric Company, Babcock International, NEI and Taylor Woodrow.

The CEGB is already in negotiations with Westinghouse over the Sizewell B project.

A similar relationship to that under discussion was established between Framatome, the French nuclear reactor company, and Westinghouse in the early 1970s. When the French later reduced its partner's shareholding to a very low level, Westinghouse and Framatome became international competitors.

The CEGB hopes to persuade the Government to order several copies of the Sizewell B design in quick succession as replacements for its ageing Magnox nuclear plants, which will be up to 30-years-old before Sizewell is finished.

Sir Walter Marshall, chairman of the CEGB, who has been closely involved in attempts to get the leading UK companies to accept fixed-price nuclear contracts and accept some of the financial risks now borne entirely by his board, says "the idea of NNC taking any part of a fixed-price contract is wonderful."

For the past year the CEGB has insisted that Westinghouse should seek to place as much of the nuclear manufacture - totalling about 15 per cent of the estimated total cost of £1.2bn - with British companies subject to satisfactory tenders on quality and price.

## Lebanese Prime Minister stays as caretaker

By Nora Boustany in Beirut

MR RASHID KARAMI, Lebanon's Prime Minister, agreed last night to head a caretaker administration. His resignation earlier yesterday had plunged the country into further political turmoil after 16 hours of vicious house-to-house fighting for control of West Beirut.

His readiness to act as a caretaker Prime Minister gave Lebanon a semblance of continued government and followed a conversation with President Amin Gemayel who previously had spoken with President Hafez al-Assad of Syria. Mr Karami, a Sunni Moslem like all past premiers, is believed to carry on in an interim basis as a result of heavy pressure from the Syrian regime with which he has always cooperated closely.

He submitted his resignation after forces of the mainstream Shia Amal movement and the Progressive Socialist Party (PSP) of the Druze sect, its lesser partner, had established control over West Beirut, dominated by them since February 1984, pushing out the Sunni Moubaratoun and their Palestinian guerrilla allies.

Mr Karami's action seemed almost an act of despair. The 74-year-old veteran politician said in a broadcast after the Government fell: "What am I to say to the people? What am I to say to justify what has happened in Beirut? No one can justify what is taking place."

Yesterday evening, hospitals reported at least 20 dead and 155 wounded.

The fall of the "Government of National Unity" formed nearly a year ago, looked inevitable after Dr Selim al-Hoss, also a Sunni, but also the only respected technocrat in the administration, had submitted his resignation.

The Amal movement asserted its domination over West Beirut after 16 hours of non-stop combat with tactical assistance and battle support from the Druze fighters of the PSP. They routed out remaining pockets of the Sunni Moslem Moubaratoun militia that was backed by Palestinian guerrillas loyal to Mr Yassir Arafat, chairman of the Palestine Liberation Organisation.

The clashes broke out on Tuesday afternoon after disagreement over the opening of militia offices in an area contested by Amal and the Moubaratoun. Palestinian guerrillas joined the fight on the side of the Moubaratoun and other affiliated

Continued on Page 26  
Fax: Syria's collapse, Page 3; Editorial comment, Page 24



Activaire Zinc-air power pack

## WHAT DO ACTIVAIRE KNOW ABOUT SENDING BATTERY SALES INTO ORBIT?

The button batteries made by Activaire, a Division of Duracell, spend a significant amount of time literally in orbit, because sixty of them are to be found in each of the zinc-air space packs currently being used by NASA on the U.S. space shuttle.

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## EUROPEAN NEWS

## France calls for wider hi-tech collaboration

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government is approaching its European partners with a fresh initiative for wide-ranging European collaboration in high technology areas such as large-scale computers, high-powered lasers, artificial intelligence and micro-processors.

The French idea is modelled on the European "Esprit" electronics programme, but encompasses a far wider field. It also draws on the proposals put forward at the recent Brussels summit by M Jacques

Delors, the president of the European Commission, for a greater pooling of technology resources in Europe and in French eyes, could embrace European collaboration on the U.S. Star Wars space defence programme.

The initiative tentatively called "Esprit 2" was announced after the weekly cabinet meeting. The Foreign Ministry said that French embassies in European capitals had already made other governments aware of French thinking on the project.

At this stage, however, the proposals are said to be vague and intended to provoke discussion.

M Roland Munnas intends to raise the project with member states of the seven nation Western European Union at their meeting in Bonn next week, which will be attended by both foreign and defence ministers.

This meeting will also be discussing a European response to the U.S. offer to participate in research on the Star Wars

strategic defence initiative.

President Francois Mitterrand was reported to have told the cabinet that he had in mind a "very ambitious programme" of research and development at a European level. Other areas that could come within the scope of study would be information technology and new developments in optics.

But the French are clearly looking both to strike out some items as well as adding others. After the WE meeting, M Munnas intends to raise the

subject again at a European foreign ministers meeting in Luxembourg later this month.

Behind the French move is a continuing preoccupation of Mitterrand that, while Europe collectively spends more on research than either Japan or the U.S. it gets far less in terms of results because of the diffuseness of the effort and the duplication of programmes. France was said by officials yesterday to have officials yesterday to have West German support for the project.

## Danish plan for Baltic islands link unveiled

By Our Copenhagen Correspondent

THE Danish Government yesterday unveiled draft proposals for one of the biggest traffic projects ever contemplated in northern Europe—a bridge and/or tunnel linking Denmark's two biggest islands at the mouth of the Baltic.

Similar in magnitude to the proposed Channel Tunnel between England and France, it would connect the main Danish island of Zealand on which Copenhagen stands, with Funen, 18 miles to the west across the Great Belt waterway. The possibility of spanning the Great Belt has been discussed since the 1850s.

The proposal is for a 3.7 mile low-level rail and road bridge from Funen, to the mid-Belt islet of Spragoe, which in turn would be linked either by suspension bridge or tunnel to Zealand. The Government favours bridges rather than tunnels and puts the cost around DKK 10bn (\$1250m). It believes the project could be completed by 1993.

The tunnel/bridge option has been left open in the meantime pending a parliamentary debate at the end of this month and negotiations between the centre-right minority coalition and the opposition Social Democrats.

The Government is stressing the advantages of a link across the Great Belt in terms of employment and savings of energy and investment in ferries and ports infrastructure. The state would bear the bulk of the cost, initially, but this would be recovered by a toll system.

If the Great Belt project gets under way next year, as now seems more likely, the Danish and Swedish Governments are to look into the possibilities of improving links between their two countries by constructing railway tunnels and/or road bridges over the narrows of the Baltic Sea.

Paris voices concern about Unesco

By Paul Betts in Paris

FRANCE HAS joined other European states in expressing serious misgivings about the UN Educational Scientific and Cultural Organisation (Unesco) and calling for urgent reforms at the Paris-based agency.

In recent months, there has been a marked evolution in the French position towards Unesco. Up to now, France had generally been seen as adopting a more sympathetic attitude than other Western countries towards the agency and its controversial director-general, Mr Amadou Mahtar M'bow.

M Roland Dumas, the French Foreign Minister, told the French national commission on Unesco that France was now "extremely vigilant" on the application of reforms and wanted to see "more transparent management" to enable better control of Unesco spending.

France originally deplored the decision of the U.S. to leave the agency thus depriving it of half its budget. At the same time, France recently made a special contribution of \$2m to help offset the loss of revenue.

However, it appears recently to have hardened its position towards the UN agency.

M Dumas warned of the dangers of international organisations moving away from their original role and becoming propaganda tools in the service of a few vested interests. Many Western countries, especially the U.S., have complained bitterly about Unesco's increasing politicisation and what they feel is growing anti-Western attitude.

France's tougher position also coincides with the resignation of M Gerard Boles, Unesco's spokesman and deputy director general. He has given no reason for his decision to step down, but his departure has worried some Western delegates.

## East Germany seeks increase in Bonn credit

BY RUPERT CORNWELL IN BONN

HERR GUENTER MITTAG, a leading East German politician and the country's economics chief, arrived here last night for talks which are expected to centre on measures to stem the flood of Third World political asylum-seekers through East Germany to West Berlin.

Between the two German states, an increase in the "swing credit" used to finance trade between the two German states. His two days in West Germany will be divided between Bonn, where he will meet Chancellor Helmut Kohl and other senior politicians, and Hannover where he will be attending the industrial trade fair which opened to the public yesterday.

Officials here are cautioning against any dramatic development in the ties between the two states. But they see the visit as an important opportunity to build on the existing climate between them, noticeable at the meeting between the Chancellor and Herr Erich Honecker, the East German leader, at the funeral of the late President Konstantin Chernenko in Moscow a month ago.

Perhaps the most important aspect of the talks will be pressure from Bonn to secure East German agreement, along with that of some Scandinavian states, for steps to clamp down on "refugees" from countries like Iran and Sri Lanka taking advantage of West Germany's liberal asylum regulations.

Last year, 35,000 people applied for asylum here, putting extra strain on the welfare budget, and at a time when West Germany's domestic unemployment was more than 2m. Of these, 12,000 are reckoned to have crossed to West Berlin from the East alone, through a somewhat unlikely chink in the Berlin wall.

Herr Mittag will also be aiming to finalise the negotiations under way for an increase in the "swing credit", essentially an interest free overdraft facility used to underpin purchases by one country from the other.

The current credit of DM 600m (\$155m) expires at the end of this year. It is expected that its ceiling will then be lifted to DM 850m or more, although some politicians here have warned Bonn not to agree to an increase without concessions by East Berlin on the human rights front.

The about-turn in trade between the two German states last year in which East Germany had a DM 1.5bn surplus means that East Berlin is under less pressure than in the past. In spite of the flurry of changes lately involving senior figures from both countries, Bonn is trying to dampen speculation that Herr Honecker might later this year make his historic visit to West Germany, after its abrupt postponement last autumn under intense Soviet pressure.

Warsaw Pact leaders are expected to meet shortly in the Polish capital to renew the alliance's treaty which expires on June 3. It is expected that the summit meeting late this month, according to East European diplomats, will be attended by Mikhail Gorbachev's first visit to an East European country since his election last month as head of the Soviet Communist Party.

The meeting will also provide an opportunity for the Pact to issue a political statement just before the economic summit conference of leading Western industrial nations in Bonn early next month.

The Warsaw Pact is thought likely to be renewed for 20 years. The original treaty was signed May 14, 1955, for a similar period and went into effect on June 4 after Albania, the last of the eight signatories, ratified it. Albania became the only country to leave the Pact in 1968 after the Soviet-led occupation of Czechoslovakia. The treaty was automatically extended for 10 years in 1976.

This time, Romania is thought to have wanted a five-year renewal but apparently backed down.

Craxi looks for consensus on Community integration

BY IVO DAWNAY IN STRASBOURG

SIG BETTINO CRAXI, the Italian Prime Minister, yesterday told the European Parliament that new talks on further EEC integration are to begin shortly.

Speaking as current president of the European Council, he told MEPs here that he would be pressing ahead with bilateral discussions at "the highest political level" in the hope of finding a broad consensus before the Community summit in Milan next June.

The talks are expected to begin in the margins of the world economic summit in Bonn next month. Sig Craxi may then follow up with a tour of the EEC capitals for individual meetings with each head of government.

The starting point for discussions will be report of the ad hoc committee on institutional reform, set up at the Fontainebleau summit last June under the chairmanship of Senator Jim Dooge, the former Irish Foreign Minister.

His findings, formally submitted to heads of government last month, have divided member states. In a majority report, Ireland, for its part, is particularly opposed to any amendments in defence and security co-operation that would jeopardise its neutrality.

Despite these problems, Senator Dooge insisted yesterday that there is enough flexibility among member states to allow the conference to go ahead, perhaps as early as September. The greatest hurdle, however, will be the UK.

Brussels wants EEC to put money in the movies

BY PAUL CHEESBRIGHT IN BRUSSELS

THE CELLULOID dream has cast its spell over the sober bureaucrats of the Berlaymont.

The European Commission yesterday opened up the vision of film magnates sweeping in looking for front-end money.

It wants to take the European Community into the movies, or, to use its own words, provide a "support regime for cinematographic and television co-productions of fiction."

Where three co-producers are gathered together from different countries of the Community, the Commission is ready to put up 10 per cent of the money as an advance against revenue. It thinks it ought to be possible to support 40 productions a year.

However, like the most indulgent of theatrical angels, but unlike the U.S. producers who are the cutting edge of the competition, it has little idea of what all this will cost. Nor, indeed, does it know whether the politicians will share the same ambition.

It hopes to have some figures next month when it will be getting ready to launch the idea on ministers of culture. Diplomats, whose view of the EEC cultural identity is less precise than that of the Commission, think that "there will be no show at all."

## Japan told of tension over trade

MR RUUD LUBBERS, the Dutch Prime Minister, warned Japan yesterday not to underestimate anti-Japanese feeling in Europe resulting from the imbalance in trade, Reuters reports from Tokyo.

Mr Lubbers, who arrived in Japan yesterday for a five-day official visit, was quoted by the Japanese Foreign Ministry as saying: "I can understand the importance for Japan of economic relations with the United States. But we are concerned that Japan may underestimate anti-Japanese tension in Europe and there is a danger of it exploding some day."

The EEC ran a \$10bn trade deficit with Japan last year, while the U.S. deficit reached \$37bn. Japan announced a set of market-opening measures on April 9, the seventh package since 1981, and Mr Yasuhiro Nakasone, the Prime Minister, called on the Japanese to buy more foreign goods.

The spokesman also quoted Mr Lubbers as saying "non-tariff barriers are the main problems in trade between Japan and The Netherlands rather than price and customs problems."

As an example, he said, Japan was the only nation trading with The Netherlands that required flower bulbs to be planted there for virus checks before allowing imports.

He also called on Tokyo to allow KLM, the Dutch national airline, to fly the Polar route four times a week, one more flight than now, and for Japan to buy Dutch planes.

The spokesman quoted Mr Nakasone as saying his Government was taking all its trading partners into consideration, not only the U.S., and was making efforts to hold a new round of international trade talks.

He said Japan would study the bulb issue and other Dutch trade problems. Many countries wished to sell aircraft to Japan and the Government would treat them equally, the spokesman said. The two leaders also discussed the planned deployment of U.S. cruise missiles in The Netherlands.

## BUSINESS LAW

## Steel subsidies come under fire

BY A. H. HERMANN, LEGAL CORRESPONDENT, IN LONDON

EXCEPT when receiving subsidies from public funds, the European steel barons do not suffer politicians gladly if they are trying to interfere with their industry. They are even less used to their affairs being ordered in courts. However, the shrinkage of the world market and the emergence of more efficient steel-makers overseas have changed things markedly.

Indeed, the steel barons (a term including their untitled associates) are now between two judicial millstones. Last month the U.S. Court of International Trade declared that the EEC-approved state aids to the steel industry went beyond what was needed to enable the closure of excess capacities. The court concluded that aids helped the European steel companies to be more competitive in the market place and thus justified U.S. countervailing duties.

It is an embarrassing coincidence that the EEC Commission has been defending its state aids decision of 1983 in the European Court by arguing that it is not obliged to approve only such amounts of state aids which are strictly proportional to the reduction of capacities, although this need not necessarily support the conclusion of the U.S. court.

The U.S. decision was made in appeal proceedings brought by the British Steel Corporation against the imposition by the U.S. Department of Commerce of a countervailing duty on stainless steel plate from the UK. The subsidies which the department found objectionable were provided by the British Government to assist with the closure of inefficient plants and to deal with the resulting redundancies. These subsidies are not very different from those granted, also with the approval of the EEC Commission, in other member states. A state of U.S. anti-dumping decisions in 1982 was at least temporarily halted by the U.S./EEC steel agreement which limited imports of certain steel products.

The main argument in the appeal against the Department of Commerce decision was that the state aid provided to British Steel for restructuring was consistent with commercial considerations, and therefore not an object of the protective anti-dumping rules of U.S. law.

However, the U.S. Court of International Trade found that the British steel aids did not pass this test. It concluded that no private investor expecting a reasonable rate of return within a reasonable time would have even considered investing money in British Steel in the course of its restructuring. This part of the judgment is questionable because the industry is state-owned and it could have been hardly proved that under no circumstances do private owners provide additional capital to prevent a total collapse of their enterprise.

The U.S. court made, however, doubly sure, underpinning the countervailing duty, by a finding that the British state aids to its steel industry were related not only to restructuring and to closure of excess capacities but that they represented subsidies designed to make the industry more competitive on the world market. In other words, the state restructuring aids approved by the EEC Commission were said to be, at least partly, indirect export subsidies and as such qualified under the U.S. anti-dumping measure.

Curiously, this U.S. decision, handed down last month, comes just before the European Court has to make up its mind in case 214/83, about an action brought by the German Government in 1983. It complained that the Commission in approving state aids did not treat all member states equally, approving much higher subsidies to the Belgian, British, French and Italian industries than those it approved in Germany.

The West German Government

asked the court to annul, entirely or partly, the Commission's decisions of June 28, 1983, in as far as these approved state aids which could not be shown to be indispensable for restructuring of the steel industry. It seems, therefore, that the view taken by the U.S. court has more support in Germany.

In its defence the Commission argues that the second State Aid Code, containing guidelines under which the Commission made the attacked decisions, does not require a mathematical correlation between the amount of approved state aids and capacity closures. It contends that also the regional and social consequences of the closures must be taken into account. Its decisions also took into account that closures were greatest in the most subsidised enterprises and, consequently, these decisions could not be described as unfair or discriminatory.

Bonn submitted that its industry was asked to cut steel capacity—about 6m tonnes in consideration of state aids amounting to Ecu 4.3bn (\$3.2bn). This would suggest that the appropriate subsidy for the closure of one tonne of capacity is about Ecu 720. However, the undisputed rate of subsidies per tonne of closed capacity amounted to Ecu 2,238 in Belgium, Ecu 3,240 in the UK, Ecu 3,824 in France and Ecu 4,200 in Italy. Consequently, the German Government asks that the approval should be withdrawn for the excess which amounts to Ecu 1,651bn in Belgium, Ecu 2,519bn in the UK, Ecu 3,780bn in France and Ecu 6,070bn in Italy.

Although the arguments before the European Court are mainly concerned with subsidies per tonne of closed capacity, it is the number of jobs lost which provides the political impetus behind the legal disputes. Last year the workforce of the EEC steel industry was reduced by 32,900. Of this number one-third was lost by Germany and Italy, while the remaining third was

divided between the other seven steel-producing countries.

While more than 11,000 jobs were lost in Germany and Italy, in the 1983-84 period only 2,000 were lost in the UK. However, when one compares the reduction of the workforce between 1979 and 1984, the UK comes out much worse than Germany or Italy. In both these countries the workforce was reduced in the course of five years by 25 per cent (and by 30 per cent in France), while the workforce in British steelworks was reduced by 65 per cent from 158,000 in 1979 to 51,000 in 1984.

Apart from these economic and social issues, the case represents an interesting and highly questionable attempt by Germany to make the court go beyond the usual range of judicial review and to substitute its own decision for that of the Commission.

One can discern three levels in the German complaint. First, it complains that the Commission took into account state aid notifications which arrived too late and, moreover, did not consult sufficiently with member states. To annul the decisions on such procedural grounds would be clearly within the scope of judicial review.

Second, it complains that the decisions did not relate the approved state subsidies to closed capacities by a simple arithmetic formula. Here again, it is within the normal jurisdiction of the court to say whether the rules under which the Commission operates require such a mathematical link or not.

But when the German Government asks that the decisions should be invalidated as far as the court finds that the subsidies are not indispensable for the restructuring, it seems to be asking too much from the court.

However, one could argue that figures of this kind are more often the product of politicians than of accountants, and that the court's guess is as good as anyone's.

## Carrillo breach with party leaders looks irrevocable

BY DAVID WHITE IN MADRID

THE DIVORCE between the current leadership of the Spanish Socialist Party (PSE) and Sr Santiago Carrillo, the man who led it for more than 20 years, is due to become irrevocable tomorrow at a crucial central committee meeting.

The meeting marks the end of the fortunes of Sr Carrillo and his followers to fall into line or lose their posts on the party's central and executive committees.

The 70-year-old Sr Carrillo, who resigned as secretary-general after an electoral rout in 1982, has already been placed this week as Communist spokesman in Parliament, where his biting rhetoric made him one of the most familiar figures of the post-Franco period.

Tomorrow's meeting brings to a climax a long-existing split in allegiances between Sr Carrillo and the man he nominated to take over, Sr Gerardo Iglesias, a 39-year-old former minister.

The last straw has been a plan to form an electoral alliance with other parties and pacifist groups to the left of the ruling Socialist Party. Sr Carrillo's camp opposed this, and is accused by the leadership of forming a counter-platform by proposing a "union of Com-

munist" which would mean mending bridges with a pro-Soviet super group.

In the usual Carrillo style, Sr Carrillo has accused Sr Iglesias of a "coup d'état in the party" and of lacking the political guts to throw him, Sr Carrillo, out of the party.

During its conversion to "Eurocommunism," Sr Carrillo has been invoking the spirit of the October Revolution to rally support.

Since a hard-fought party congress in December, 1982, Sr Iglesias has the whole of the Carrillo camp, which has important regional strongholds in Madrid, Valencia, the Basque country and Galicia, holding on to five seats on the 27-member executive committee.

The central committee is the main organ of the party, and elects the executive committee, the 11-man secretariat, the secretary-general and the president (a post held by the legendary 89-year-old Dolores Ibarruri, La Pasionaria).

The party, which went through a series of splits and expulsions under Sr Carrillo, is currently preparing a major campaign against President Ronald Reagan's visit to Spain next month and against Spain's continued membership of Nato. At the last general election in 1982, it lost 11 of its 15 seats in Parliament.

## New Caledonia base planned

BY OUR PARIS CORRESPONDENT

THE FRENCH Government is preparing to establish a strategic base in New Caledonia as a way of demonstrating its continuing commitment to that territory in advance of final decisions on its future.

Details of the proposals for the strategic base emerged yesterday when it was also disclosed that a nuclear-powered submarine, the Rubis, had also left for an extended patrol in the waters off New Caledonia.

President Francois Mitter-

rand first mentioned his objective of establishing a strategic base on the islands after his surprise visit to New Caledonia at the beginning of the year. The proposals include enlarging the port of Noumea to accommodate two corvettes and a nuclear-powered submarine and the stationing of a force of four Jaguar aircraft on the islands.

The runway of the airport at La Tontouta would be extended as well. The total cost would run to about FF4 400m (£34m) but the details have yet to be confirmed.

The political goal behind the move is to reassure the French residents in the territory that the Government's project for independence in association with France would not mean the abandonment of the islands.

The Government is expected to decide the final details of the controversial choice it will put to the territory by the end of the month.

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## Computer shortage hinders Soviet schools programme

BY PATRICK COCKBURN IN MOSCOW

THE LACK of personal computers and of staff trained to use them is hindering the introduction of computers into Soviet schools which is due to start this September.

The scheme is to start with computer rooms, each with 15-20 machines, in 200 schools and 300 training establishments. This will eventually expand to 70,000 such rooms, and the aim is to achieve universal computer literacy among children leaving school by the end of the century.

Mr Ivan Zverev, vice president of the Academy of the Teaching Sciences, says, however, that even institutes for mathematics and teachers in the use of computers often lack computers

themselves, while the schools require "microcomputers, printers and individual terminals."

Mr Zverev says that, so far, only a handful of Soviet schools have the machines. They have been installed in several schools in Moscow, there is a room with 20 computers at a school in Novosibirsk in Siberia. Zelenograd has one. Tatar University has one, and a school in Rostov has one. Overall the number available is very limited.

The reason is that the use and manufacture of personal computers has only recently been given priority. The two Soviet machines—the Agate and

the Timur—are both in short supply and the Soviet Union has been looking to foreign suppliers for computers and eventually for joint manufacturing agreements.

Computerisation and teaching the use of computers in schools has recently been the subject of political discussions and the Academy of Sciences has added a section for dealing with computers.

The need for the new technology has been extensively publicised in the Press. An article in one newspaper recently pointed out that computers were "leading to fundamental structural changes

in the fields of production, consumption, management, life-style, education and culture."

But Soviet management has often been slow to employ computers, despite studies showing that their use in planning the construction of new plant produces a saving in capital investment of 5-10 per cent.

In terms of practical management a senior scientist specialising in computers says that the chief hindrance to their use in the Soviet economy is that "positive results from the best automated management systems are not being properly rewarded." This lack of incentive is the most important factor

slowing the employment of new technology, he says.

● Soviet industrial production in March rose by 2.7 per cent compared with the same month last year, reports Pravda, the Communist Party newspaper. But because one less day was worked this year daily output was up 5.9 per cent. Output in industry, hit by bad weather, increased by only 1.9 per cent in the first two months.

FINANCIAL TIMES, US\$ 10 19840, Subscribed daily except Sundays and holidays. Subscription rates \$420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

JAHOLITA



## NZ rugby tour of S. Africa to go ahead

BY DAI HAYWARD IN WELLINGTON

THE New Zealand Rugby Union yesterday defied its own Government, and a large body of public opinion, by deciding to go ahead with its July tour of South Africa.

Prime Minister David Lange, an outspoken opponent of the tour, heard of the decision as he was boarding an aircraft in the Australian capital of Canberra on his way home from a tour of black Africa. "They knew the score," he said, visibly upset, "and it's to their eternal shame that they decided to go."

Deputy Prime Minister Geoffrey Palmer said: "This is a very, sad day. It is a day of shame for the Rugby Union. The Rugby Union stands alone in its attitude and decision to persist with this tour."

Union chairman Cez Bayez said there had been a substantial Union majority in favour of sending the national team, the All Blacks. The union had considered many submissions and thought long and hard about the implications of the tour. In the end, however, it decided that sport and politics should be kept separate.

Within minutes of the decision, church bells in Auckland and other New Zealand cities began tolling a mournful dirge. Church leaders said the protest was a mourning for the loss of the good name of New Zealand and for the Africans "who may suffer if they protest against

the presence of the rugby team." Speaking from India on Tuesday, Mr Lange said that, even if Union voted to go ahead, the Government would still apply all the pressure it could to have the decision reversed. During his African tour, he told African leaders that he believed the tour would not go ahead.

New Zealand anti-apartheid groups are already planning mass protests, particularly at rugby grounds.

In 1981, when the South African national side, the Springboks, toured New Zealand, there were violent demonstrations and clashes between anti-apartheid groups and the police. The country was divided on the issue, and since then there have been strong indications that many who supported the 1981 tour are now opposed to the All Blacks going to South Africa.

● Australian Prime Minister Bob Hawke said that he would attempt to end rugby matches between Australia and New Zealand. Agencies report. The decision, he said, will have adverse repercussions internationally, quite apart from the basic principle of giving comfort to a racist regime.

● The South African Government welcomed the decision as a "victory for sports autonomy." Anti-apartheid groups condemned the move.

## Visit highlights problem of enforcing Gleneagles pact

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE New Zealand Rugby Union's decision to go ahead with its July tour of South Africa is in direct conflict with the spirit of the Gleneagles Agreement of 1977, in which Commonwealth countries agreed to discourage sporting contacts with South Africa.

At the same time, like similar tours of South Africa by the British Lions' Rugby team in 1984 and individual West Indian cricketers in 1983, the New Zealand decision highlights the difficulty of enforcing the Gleneagles Agreement.

That agreement calls on governments "to take every practical step to discourage contact or competition by their nationals with sporting organisations, teams or sportsmen from South Africa or from any other country where sports are organised on the basis of race, colour and ethnic origins."

What it does not do specifically, is to prevent the various sporting federations from contravening the Gleneagles Agreement and, in the older democracies at least, there is no legal way in which governments can enforce it. Thus, the British Lions' tour of South Africa in the summer of last year went ahead in spite of its condemnation by the British Government and the vast majority of the

country's sporting organisations. In the case of the New Zealand rugby tour, as in the case of the British Lions' tour, officials of the Commonwealth Secretariat consider that the Commonwealth countries did their utmost to dissuade their respective rugby authorities from going ahead with their visits. But pressure can be applied which could yet change the New Zealand Rugby Union's mind.

On the occasion of the Springboks' tour of South Africa in 1981, when it was felt that the New Zealand Government had not been firm enough with its own rugby authorities, the Commonwealth finance ministers called off their scheduled meeting in Auckland in September of that year.

The Gleneagles Agreement has also been given a few more teeth by the so-called Brisbane Code of Conduct of 1982, which enabled the Commonwealth Games Federation to adopt certain sanctions against offending member sports organisations.

The Brisbane Code ensures that any sportsman or administrator who contravenes the Gleneagles agreement would be barred from future Commonwealth Games. It also gives special powers to the Commonwealth Games.

Since rugby is not part of the Commonwealth Games, the Brisbane Code does not present a direct threat to the rugby authorities of any member country.

## Car strike challenge for South Korea

By Steven B. Butler in Seoul

A STRIKE by assembly line workers has shut down the main car plant of South Korea's Daewoo Motor Company, a 50-50 joint venture between Daewoo and General Motors.

The strike will be seen as a test of how South Korea will handle its increasingly leftist labour force. Low wages, excellent labour discipline and weak unions have been a principal attraction for foreign investors, and have helped to keep Korea's industries highly competitive.

Some 2,100 unionised workers at the company's Popyung plant walked off the job on Monday, demanding a 23 per cent increase in wages plus other benefits, according to the company. The company considered with an offer to increase wages by 10 per cent. Korean workers have increasingly been demanding higher wages in wake of the nation's impressive economic growth. Last year the economy expanded by 7.6 per cent in real terms.

Many observers have been predicting greater labour unrest this year. Says a diplomat: "This is the year to play catch-up for past years when they did not get much at all."

In 1984 the Popyung plant produced some 42,000 passenger cars, trucks and buses for the domestic market. Daewoo and General Motors last year agreed to a standard joint venture and are currently building a new plant for the manufacture of an annual 167,000 small front-wheel drive cars, up to half for export.

A company official said that pressure for a wage increase had grown since Daewoo had taken over the company from Saehan Motor last year. The company had a profit in 1983. He did not expect a quick settlement of the dispute. "It will take time to satisfy both sides," the official said.

## Karachi hit by rioting

TWO DAYS of rioting in Karachi, Pakistan's biggest city, and business centre, left nine dead, hospital sources said.

A number of businesses and banks were affected as demonstrators tried to set the nationalised banks on fire, and looted shops in Karachi-West region of the city. The region has a population of 2m, out of a total population of 7m for the whole of Karachi. All businesses in the area remained closed on Tuesday and yesterday.

The Government imposed indefinite curfew on Tuesday night, and said it was continuing till late yesterday. Army troops were patrolling the area.

The trouble started when a privately-owned bus ran over a group of college girls waiting for transport. One girl died on the spot and another died in hospital.

## OVERSEAS NEWS

## Richard Johns analyses the fall of Rashid Karami's Government of National Unity 'Pax Syrrannica' collapses as fighting flares

WITH the eruption of the most vicious bout of inter-factional fighting in West Beirut since the start of the Lebanese civil war just over 10 years ago, the brittle pax syrrannica first imposed in the late summer of 1976 and then again after the 1982 Israeli invasion has been well and truly shattered.

It precipitated yesterday the resignation of Mr Rashid Karami, the Prime Minister. He has since agreed to head a caretaker regime, but his earlier decision can only make Lebanon's problems more intractable. Mr Karami was the focal point of a delicately balanced compromise, as the "Government of National Unity," symbolised Damascus's hegemony so painfully constructed nearly a year ago after six months of persuasion, cajoling and brow-beating by Syrian President Hafez al-Assad's regime. In addition, the Shi'ites and Druze have also found themselves in confrontation with Palestinian fighters, to whom in the past they have been basically sympathetic, giving an ominous new shake to the anarchic Kaleidoscope of Lebanon.

What came as a staggering surprise was that yesterday's violence should have erupted at this point and in this location. The militias of the Progressive Socialist Party of the Druze chief, Mr Walid Jumblatt, and the mainstream Amal movement of the Shi'ite sect, led by Mr Nabih Berri, effectively wrested control of predominantly West Beirut on February 6 1984 when they evicted the Christian Army, mainly Christian-led and oriented. In the following month there was a much less bloody struggle with the Muraiboun, the small Sunni militia originally inspired by allegiance to the late President Nasser of Egypt, closely linked with the Palestine resistance and increasingly Libyan-backed.

Their stronghold has been the Eim Mreisseh district on what was once the smartest piece of Beirut's sea front. As a result its boss, Mr Ibrahim Kileilat, left, and has never returned, although he was expected to after an attempted reconciliation in Tripoli recently between him and Mr Jumblatt arranged by Col Muammer Gadaffi, the Libyan leader.

The immediate issue is whether Sunnis and Shi'ites will be at each other's throats in the south, where the Shi'ites are the overwhelming majority



● President Amin Gemayel finds himself more powerless than ever and dependent on Damascus for a solution to the country's intractable political problems and for enforcement of minimal stability in areas not controlled by Israeli and Syrian troops. His own Christian power base and leadership of the estimated 750,000-strong Maronite community was challenged in last month's revolt by militant leaders of the Lebanese Forces who have been responsible for the outbreak of inter-communal fighting around Sidon. He was a somewhat reluctant successor to his younger forefather brother Bashir.



● A tough leader who, together with Mr Jumblatt, has boycotted many Cabinet sessions this year, Mr Nabih Berri is determined to obtain for the Shi'ite community, probably numbering over 1m, a fairer share of power and put to right their grievances, not least the 250,000 refugees caused by the Israeli invasion of Lebanon. A lawyer, partly U.S. educated, he remains a Lebanese nationalist rather than an Iranian-inspired Shi'ite internationalist. He emerged as leader of Amal in 1978 after the mysterious disappearance of Imama Sadr, his founder, in Libya in the early 1970s.



● As the now undisputed leader of the Druze community, estimated at anything from 130,000 to 200,000, Mr Walid Jumblatt has pursued a tortuous, ambiguous policy in trying to maintain its interest and expand its sphere of influence to the point of maintaining links with Israel as well as Syria. His Progressive Socialist Party's militia numbers about 6,000, each one reckoned to be worth two of any other group's fighters. He is dependent on finance from Libya. Like Gemayel he was a reluctant successor to his father who was murdered in 1977.



● As a Sunni Moslem and politician, albeit of a traditional nature, Mr Karami may have felt that he had no choice but to resign out of sympathy for his sectarian community reckoned to number 450,000-500,000. His subsequent decision to head a rare-taker administration may have been made under heavy pressure from Syria, which has always favoured him as Lebanon's Prime Minister. A 74-year-old lawyer from Tripoli he had boycotted Cabinet sessions since last Wednesday in protest against the failure of President Gemayel and the army to assert order around Sidon.

## MUBARAK, PERES EXPECTED TO MEET NEXT MONTH

A SUMMIT meeting between Israeli Prime Minister Shimon Peres and Egyptian President Hosni Mubarak is expected to be held next month, officials in Jerusalem said yesterday. David Leavitt reports from Tel Aviv.

A high-level working party was being set up to meet with a similar group being established in Egypt to work out the arrangements, they said. An

earlier meeting between the foreign ministers of the two countries was not ruled out.

The aim would be to reach preliminary accord on a "package deal" to include Israeli agreement to submit the dispute over the Taba area in Sinai to arbitration in exchange for the return of an Egyptian ambassador to Tel Aviv, and Cairo's willingness to

improve trade and cultural links between the two countries.

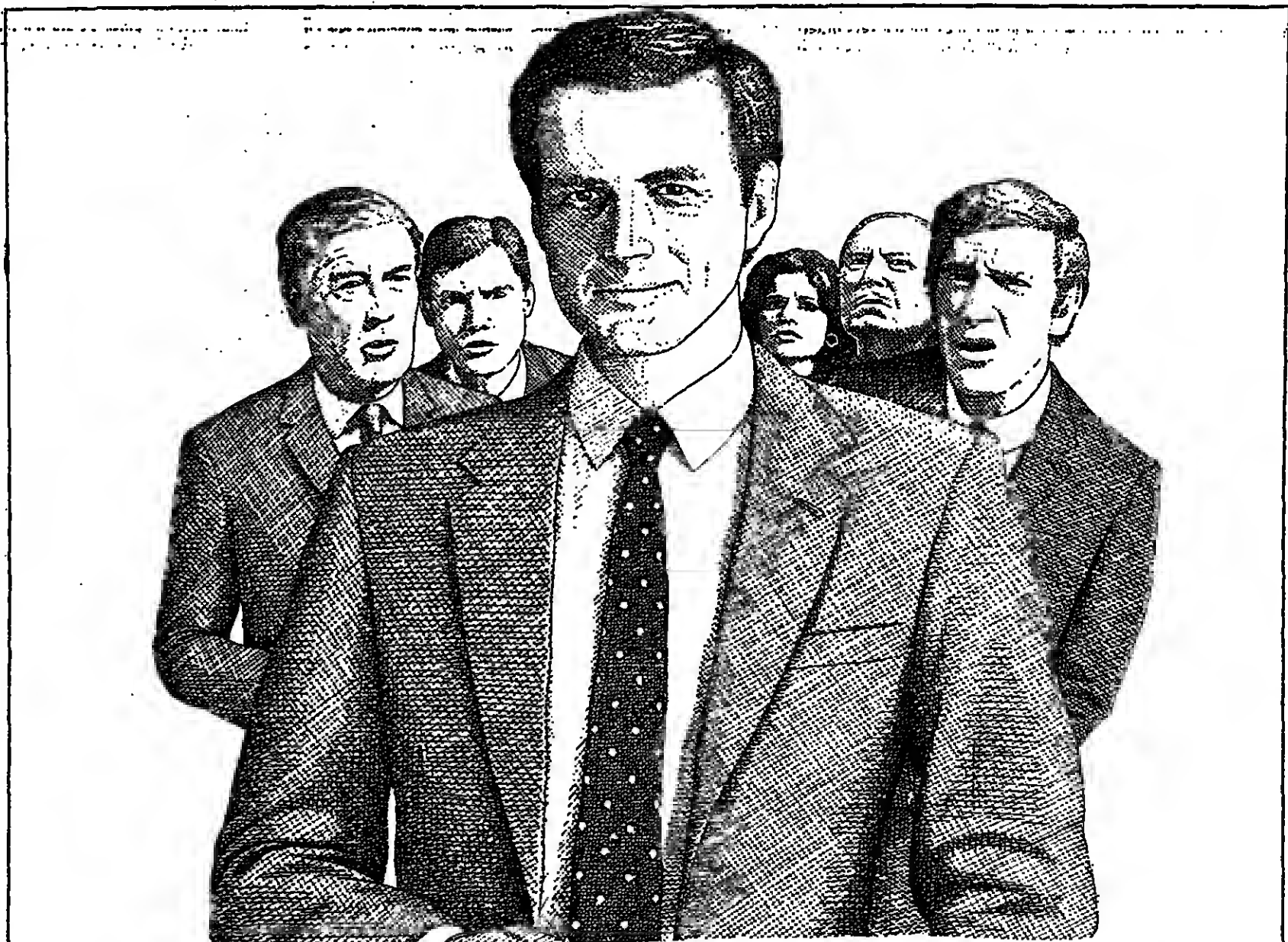
Underlining the intensive level of contacts between the two countries, officials noted that Mr Peres received on Sunday a "very warm and detailed" letter from President Mubarak. This was just before Mr Ezer Weizman, the Israeli Minister Without Portfolio, flew to Egypt for two days

balance reflecting the existence of the Moslem majority and the Shi'ites as the biggest single community. The Shi'ites comprise about 1m of the 3m total population, according to a recent independent study.

In addition the Alawite-dominated regime in Damascus has no love for the Sunnis, the majority in Syria, nor for the Palestinians loyal to Mr Yassir Arafat.

A new order along the lines of "cantonalisation" would involve further shifts of population following the transplants that have occurred over the year, more recently and notably the exodus of up to 150,000 Christians from the Ghout Mountains overlooking Beirut, as a result of the fighting with the Druze in September 1983 which led to an estimated 60,000 dead.

Yesterday, Syria had given no indication as to its next move. In the meantime, the collapse of the Government, impotent though it was, has created an awesome vacuum and set both Mr Gemayel, his Christian power base already eroded, and Damascus an enormous short-term challenge.



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## Botha to reveal Namibia plans

BY ANTHONY ROBINSON RECENTLY IN WINDHOEK

THE LATEST South African thinking on the future of Namibia will be revealed today when President P. W. Botha tells Parliament of the Government's response to new proposals for an interim government for the former League of Nations trust territory which South Africa has ruled illegally since 1901.

Namibia has been ruled directly by Pretoria through its Administrator General, Mr Willie Van Niekerk, since January 1983 when it abruptly terminated an experiment in limited self-rule under a coalition of internal parties headed by Mr Dirk Mudge, head of the Democratic Turnhalle Alliance (DTA).

After lengthy inter-party negotiations a new coalition of six internal parties called the Multi Party Conference (MPC) has been formed. On March 24 it presented President Botha with proposals for a new interim Government which would include a 43-member National Assembly, an eight-member Council of Ministers and a 16-seat Constitutional Council charged with drawing up a draft constitution for an independent Namibia.

The new proposals are viewed with concern by the five-nation Western "contact group"—consisting of the U.S., Canada, Britain, West Germany and France—set up to nudge South Africa towards implementation of independence for Namibia under UN Resolution 435. This calls for creation of a UN force to oversee elections on a one-man, one-vote basis to a Constituent Assembly which would draw up a new constitution.



A PROGRAMME of mandatory sanctions and additional voluntary embargoes against South Africa are likely to be called for this weekend by a conference in New Delhi of non-aligned countries led by India. John Elliott reports from New Delhi.

A draft declaration prepared for a meeting of the delegations' officials today is also highly critical of the Western contact group comprising the UK, U.S., France, Canada and West Germany for lack of progress on Namibian independence.

The conference has been called by the non-aligned movement to speed up implementation of Security Council Resolution 435 adopted in 1978 which demands free and fair elections.

acceptable base for a solution," he said.

The South African Government also remains formally committed to Resolution 435 but has linked implementation to the withdrawal of Cuban troops from Angola. No agreement has yet been reached between U.S., South Africa, Angola and Cuba on a timetable for the simultaneous phased withdrawal of Cuban troops from Angola and South African forces from Namibia.

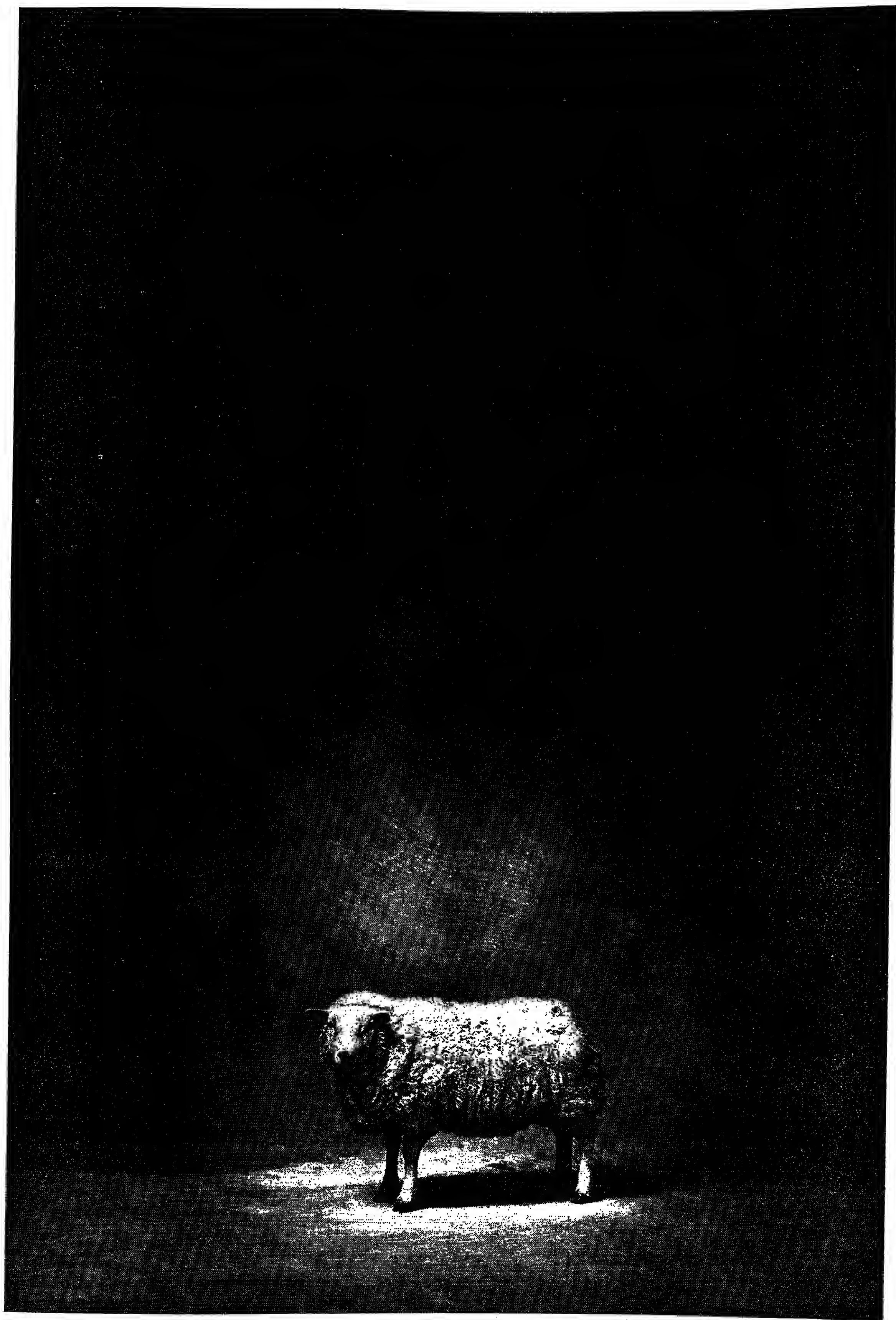
In a ceremony on the Angolan-Namibia border yesterday, however, South Africa withdrew the last of its forces from Angola. These were the remnants of the December 1983 Operation Askari under which South African forces invaded Southern Angola to destroy the bases and supply lines of South-West Africa Peoples Organisation (SWAPO).

The unilateral withdrawal follows a successful South African campaign against Swapo's latest wet season offensive and Mr P. W. Botha, the Minister of Foreign Affairs, said: "South Africa stands to gain more politically than it will lose militarily by withdrawal."

President Botha is expected to try to ally fears that South Africa is planning a regional rather than international solution by linking acceptance of the interim Government plan with an assurance that South Africa remains committed to an internationally recognised solution under Resolution 435.

But it remains hostile to granting independence to a Swapo-dominated government in Windhoek and wants assurance that any future independent government will not lead to economic and political turmoil in Namibia and a security risk to South Africa.





هكذا من الليل



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## U.S. force against Sandinistas may be 'eventual option'

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE WHITE HOUSE has secretly told Congress that it wants a substantial increase in the numbers of anti-Sandinista "contra" rebels in Nicaragua so as to apply "major direct pressure" on the Sandinista Government.

A document sent to two Congressional committees also warns that while direct use of U.S. military force against the Sandinistas is for the moment ruled out, it must be recognised as an "eventual option" if other policies fail.

The 22-page top secret document, of which extracts were published in yesterday's New York Times, was sent to Capitol Hill earlier this month to support President Ronald Reagan's request for \$14m (£10.7m) in new aid for the contras, one of which hard-fought votes are due to be taken in Congress next week.

Mr Reagan was yesterday showing no signs of readiness to compromise on his controversial request, despite a clear warning from Mr Robert Michel, the Republican minority leader in the House of Representatives, that the proposal cannot muster a majority in the House in its present form.

The majority Democrats in the House were yesterday still debating whether to put forward their own alternative plan, so as

to show that they are not indifferent to the activities of the Sandinista Government and its acquisition of Soviet bloc weapons.

The White House document said that aid to the contras should be structured "so as to increase the size and effectiveness of the insurgent forces to a point where their pressure convinces the Sandinista leadership that it has no alternative but to pursue a course of moderation."

It suggested that the rebel forces should be built up to a strength of between 20,000 and 25,000 in the north of the country, and 5,000 to 10,000 in the south. Current Administration estimates put the rebels' strength at up to 15,000 in the north and 5,000 in the south, although some other estimates are lower.

While Mr Reagan has consistently denied that the Administration has any plans to invade Nicaragua, as the Sandinistas have alleged, the Administration has never closed the option of ultimately using military force if necessary.

By suggesting that such a course "must realistically be recognised as an eventual option," the White House was clearly trying to persuade Congress that it can avoid the direct use of U.S. military power if it agrees to fund the Contras.

## Moscow in pledge on U.S. military in East Germany

BY OUR U.S. EDITOR

THE Soviet Union has told the U.S. that it will not in future permit the use of force or weapons "against American military liaison personnel in East Germany."

It has not yet, however, agreed to Washington's demand for an apology for the shooting of Major Arthur Nicholson, a U.S. Army major, in West Germany three weeks ago.

The Soviet undertaking was given at a meeting between senior American and Soviet military commanders in Potsdam on Friday, following a formal U.S. protest over the killing of Major Nicholson, the State Department said.

Both sides have agreed to seek ways of avoiding similar incidents in future, and U.S. officials described Friday's meeting as "reasonably productive."

The Soviet representatives said the U.S. demand for an apology and compensation for Major Nicholson's family would have to be referred to higher authorities in Moscow, the State Department said.

Washington would continue to press the matter in further talks with Soviet officials, the Department said. It did not, however, appear to want to make the issue a major test case for the future of East-West relations.

## California smokers sent to Coventry

By Louise Kehoe in San Francisco

LOS ANGELES commuters may suffer teary eyes and smog filled lungs as they drive to work, but once inside their offices they can be assured of some clean air. This week the city put into effect a "no smoking" ordinance prohibiting smokers from puffing in the faces of their workmates.

The law, which went into effect on Saturday, prohibits smoking in lifts, medical facilities, toilets and lunchrooms, and requires businesses with five or more employees to provide "to the maximum extent possible" a smoke-free work area for those who want it.

The law covers fire trucks, police cars and most city government offices with the notable exception of the city council chambers where the ordinance was enacted.

Non-smokers can have a smoker's desk moved and can demand that smokers be banned from their space. They may complain to their boss or to the city attorney. If all else fails, they can go to court.

"Maybe it's good for me," said Ms Jean Morrissey, a smoker who works for the county department of public social services. "I'll force me to cut down."

"I think it stinks," said Ms Wanda Burris, a smoker and manager of a 50-unit Hollywood apartment building. "I thought our country was supposed to support liberty and justice for all."

Some non-smokers called to complain about their colleagues. Smokers said they were being forced outside their offices, a city attorney spokesman said. But most of the hundreds of phone calls fielded by the city attorney's office have come from worried employers trying to find out if their new smoking policies comply with the ordinance.

Individual violators are subject to fines between \$50 and \$100. Employers who do not establish a smoking policy can be punished by a \$500 fine, six months in jail, or both.

Los Angeles smoking rules are modelled upon those enacted in San Francisco and San Diego last year.

## Cigarette makers are facing court battles over product liability, writes Terry Dodsworth

# Cancer victims set to take on tobacco giants

### Smoking in public: A radical proposal.

These days the level of social discourse between smokers and non-smokers is approaching that of a top team wrestling match. While some people are taking this problem through legislation or court action, we at R.J. Reynolds have been proposing a more constructive solution: greater courtesy. We might be called draconian and overbearing, but we continue to believe in the power of politeness to change the world.

We can imagine how it might begin. A smoker is about to light a cigarette in public. He pauses in mid-march, suddenly conscious of the non-smoker next to him. He hesitates for a moment, then he smiles and says, "Excuse me, do you mind if I smoke?"

The non-smoker is momentarily stunned by this unexpected act of courtesy. She smiles several weary inches that keep on making the cigarette smoke go unchallenged. "I don't mind," she answers, "as long as you don't let your smoke blow in my face."

Her dignified response puts the smoker on the defensive. But he knows to regain the upper hand. "It's no big deal," he responds. "Let me know if the smoke bothers you."

A draft circulates. But the non-smoker presses her attack. "I will know if the smoke bothers you," she insists. "Not to be outdone, the smoker blazes off. "Thanks for being so understanding," he says. "Who knows? If this act of civility ever comes on, it might lead to a sudden outbreak of civil decency. Or even escalate into a full-scale outbreak of civil decency. Or even escalate into a full-scale outbreak of civil decency."

R.J. Reynolds Tobacco Company

R. J. Reynolds fights back—an advertisement in Tuesday's New York Times.

Melvin Belli—the so-called "King of Tort," known more disparagingly by his opponents as "the Ambulance Chaser"—who has had a colourful and eventful life, is now a man in the street against big business. His firm has found a cancer victim.

Mr John Galbraith, who died from a fatal gallbladder growth at the junction of the bronchus, said by experts to be one of the easiest to link with smoking.

Second, public opinion is believed to be much more antagonistic to smoking than 20 years ago. Jurors should, therefore, be more willing to accept the culpability of the tobacco companies.

This growing aversion to tobacco is shown up in the industry figures. By last year, only 35 per cent of adults in the U.S. admitted to smoking, against 43 per cent 20 years ago. The total number of cigarettes consumed is going down steadily, dropping at a rate of more than 2 per cent a year since 1982.

Finally, the law on product liability has changed radically, pushed forward by the "toxic tort" lawyers into entirely new ground by such actions as the anti-asbestos suits against Manville.

In effect, the courts have expanded the notion of liability to switch the emphasis entirely from the consumer to the producer. Whereas consumers were originally regarded as responsible for using a product correctly, some courts are now saying that manufacturers are responsible even when the customer has been warned about attendant dangers.

The theory underlying this development is that manufacturers should bear the "social" cost of their products, rather than society in general. If they know they face legal suits for the damage caused by their products, they will design and price them accordingly. The anti-tobacco lawyers think there is an overwhelming case for applying this principle against the tobacco companies.

"It costs the American taxpayer \$100bn a year to pay the medical costs of smokers," says Mr John Banzhaf, a law professor at George Washington University, and director of the ASH (Action on Smoking and Health) pressure group. "Much of this is paid by non-smokers. We are hoping to force the tobacco companies to shift the monetary burden to smokers."

Neither the tobacco companies, nor the Tobacco Institute, a Washington pressure group funded by the industry to promote public understanding of the industry, will comment on the cases they are facing. "We have no response outside of the courtroom," says the institute. But lawyers think the cases will hinge on the following points:

● Will plaintiffs be able to show an unequivocal link between cancer and smoking? The tobacco companies continue to claim the case is not proven, and that they have extensive research to support their case. Mr Paul Moniz, a lawyer at Mr Belli's firm, who is to fight the Galbraith case, says: "I think we can establish the link."

● How will juries respond to the "assumption of risk" concept? Companies have in the past been allowed to plead immunity from product liability on the grounds that customers had been adequately warned about the dangers of a product—and in the case of cigarettes they are told specifically that they are using a product that is "dangerous to health."

Some lawyers believe juries will be quite responsive to the idea that smokers have voluntarily assumed a risk. "The warning aspect and the amount of public information is vastly greater now than in the 1940s," says Professor Aaron Twerski, of Harvard University.

But anti-smoking lawyers argue that the courts have gradually chipped away at the assumption of risk proof to the point where it is beginning to founder.

In a New Jersey case last year—Cipollone versus Liggett Group, Philip Morris and Loews—a district court judge found that the warning label carried on cigarettes for the past 20 years was not intended as a "shield from all product liability." This judgment has now gone to appeal (to a notably radical Supreme Court), where it may take several years to decide.

In addition, smoking antagonists claim that under the

current interpretation of adequate warnings, cigarette companies can be shown not to have made a reasonable good faith effort to tell people what they are buying. "The warning labels should be informing consumers that they are buying a lethal product," says Mr Richard Daynard, a law professor at Northeastern University.

He points out that the 1984 Surgeon General's official report on smoking attributed 350,000 deaths a year in the U.S. to the effects of smoking including heart disease, chronic obstructive lung disease, and cancer.

● Are cigarettes addictive? One argument the plaintiffs' lawyers will almost certainly use is that cigarettes are so addictive that cancer victims did not voluntarily assume the risk of smoking. The Belli case will involve some particularly gruesome evidence: even when he was dying, Mr Galbraith used to remove his oxygen mask to take a puff from a cigarette.

● Can companies be held liable for the inherent characteristics of a product? Mr Victor Schwartz, a former professor of law who worked on product liability for both the Carter and Ford Administrations, and is now in private practice, says: "Cases that the industry will be unwilling to treat companies as liable for something that is an intrinsic part of the product."

In this morass of legal arguments, the only certainty is that the battle will not be easily won or lost. The tactics of the new campaign will be to make it as difficult as possible for the tobacco manufacturers to bring their financial weight to bear on any single suit. Lawyers are aiming to mount so many cases that the industry will not be able to concentrate either its fire power or its funds.

Yet despite the decline of the smoking habit, the industry's resources remain forbiddingly large. The combined sales of the three big U.S. cigarette makers—Philip Morris and American Brands—amounted last year to \$34bn, and the industry is still one of the most consistently profitable in the U.S., earning around 17 per cent a year on its equity.

Wall Street, at least, is certainly losing no sleep about the impending legal actions. "Given the lengthiness of the U.S. legal process, it appears likely that blockbuster litigation will be a psychological rather than real concern over the coming year," wrote Ms Temple recently.

## Neves' surgeon threatened

By Ann Charters in Sao Paulo

THE CHIEF surgeon treating Brazil's President-elect Sr Tancredo Neves has received threats to his life, according to a police spokesman. Dr Henrique Walter Pinotti now goes to and from the Heart Institute in Sao Paulo in an official government car accompanied by two bodyguards.

Credentialed press and support staff were changed on Wednesday to increase security and limit access to the area around the hospital in downtown Sao Paulo. Small crowds of onlookers continued to form across the street from the hospital.

Dr Pinotti was due to present a detailed report last night on Sr Neves' condition and the extensive medical procedures undertaken so far to keep him alive. Recently the country has had to be content learning of the President's condition through daily medical briefings read by a presidential spokesman.

Sr Neves' condition remained extremely serious yesterday.

## U.S. consumer spending falls

BY STEWART FLEMING IN WASHINGTON

CONSUMER spending in the U.S. in March fell 8.5 per cent the Commerce Department reported yesterday. Reinforcing fears of emerging weakness in the sector.

However, economists point out that the decline to March followed a sharp 8.9 per cent increase in February and that it is premature to conclude that a slump in the consumer sector has begun.

The Commerce Department also said that personal disposable income in March—that is

income after taxes—also fell 0.5 per cent. Delays in normal refunds of federal tax payments account for the decline. Personal income before taxes rose a moderate 0.5 per cent.

The figures reinforce the views of those who say that a slowdown in the rate of growth of personal income in recent months is pointing towards slower economic growth this year. The real annual rate of growth in 1982 was 6.6 per cent.

Today the Commerce Department is due to release its pre-

liminary estimate of first quarter real growth. The department last month predicted an increase of 2.1 per cent for the first quarter, significantly below the 4.6 per cent some private economists had been forecasting.

Separately the Federal Reserve Board yesterday reported that capacity utilisation in U.S. industry was unchanged at 80.8 per cent in March, reflecting the continuing stagnation of industrial output.

## Spillage closes Ontario highway

BY BERNARD SIMON IN TORONTO

A 55-mile stretch of the Trans-Canada Highway in north west Ontario has been closed to traffic to prevent contamination from an accidental spillage of the highly toxic chemical polychlorinated biphenyls (PCBs).

Repair crews are sealing parts of the road with asphalt, and authorities say that the entire affected section may have to be resurfaced, depending on the outcome of further tests.

The accident took place last Saturday on a section of the

highway near the town of Kenora. The road may be reopened today.

PCB is used as an insulation agent in electrical transformers, and has been linked to severe acne and liver damage in humans and cancer in laboratory animals.

The spillage was caused by a leaking transformer being carried on a truck to a storage site in Alberta, the only location in Canada.

By yesterday, clean-up crews

had scrapped up over 40 drums of PCB-laced sand and asphalt at a truck stopping point in Kenora, where the leak was discovered.

The provincial government of Alberta plans to forbid the import of PCB and other hazardous wastes into an incinerator, but no facilities have been available in Canada for the last few years.

About 2m kg of PCB are stored in warehouses on the outskirts of Edmonton.

## IMF predicts 3% world growth

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

AN optimistic outlook for the world economy with steady growth of about 3 per cent for the rest of the decade is presented by the International Monetary Fund in its latest World Economic Outlook published in Washington yesterday.

The fund says the position of debtor countries is improving more steadily than expected, that inflationary pressures seem to have subsided and that there is a prospect for some decline in interest rates.

However it warns sternly that the U.S. must get its internal and external deficits under control if the outlook is to remain optimistic.

The U.S. trade deficit has reached an unsustainable level, it says, and some decline of the dollar will be necessary to bring the U.S. foreign accounts into better balance. The outlook for the rest of the world depends to a large extent on the U.S. success it says. European countries and Japan should not attempt to follow the Reaganomic prescription of fiscal expansion.

In its short-term forecast the Fund projects growth of 3.4 per

cent in world output both this year and next with the industrial countries growing at a rate of about 3 per cent a year.

U.S. growth is expected to decline quite sharply from last year's 6.8 per cent to about 3.4 per cent this year, decelerating slightly in 1986.

The Fund assumes that the U.S. Administration will achieve only part of its planned reduction in the federal budget deficit over the next three years.

It expects growth in Japan to decelerate to about 4.4 per cent this year and next while the developing countries are forecast to achieve accelerating growth of 4 per cent this year and 4.5 per cent in 1986.

This improved output in the developing world will enable debtor countries to achieve a marked reduction in the ratio of debt service payments to exports.

For all the indebted developing countries taken together, the ratio of external debt to exports is expected to decline from 158 per cent in 1983 to 108 per cent in 1990.

The IMF says: "The decline is even more dramatic for those

countries whose debt ratios had risen most before and during the debt crisis."

For the seven largest borrowers, for example, the debt ratio will fall from 256 per cent in 1983 to only 150 per cent in 1990.

On the other hand those countries—which have been mainly dependent on finance from official sources (Western governments), debt ratios are expected to increase somewhat to reach 260 per cent by 1990. This reflects the fact that official finance has not dried up to the same extent as lending from commercial banks.

In spite of this general improvement in the position of debtor countries, the IMF warns that there must be no relaxation in the adjustment efforts of the Third World. It points out that on a longer term historic view, debt ratios are still uncomfortable large.

Moreover, the improvement it is forecasting depends to some extent on the assumption of a fall in the dollar which, it points out, is rather uncertain. The Fund makes—no ironic contrast between the improve-

ment of the Third World debt position and the rapidly increasing debts of the world's most powerful economy, the U.S.

It says that if the real exchange rate of the U.S. dollar (taking account of the relative inflation rates of the U.S. and the rest of the world) remained at the level of November 1984, the U.S. deficit on its current account of the balance of payments, would rise to about 4.4 per cent of its total national output by 1990.

If this happened, the Fund staff say, "the implications for a deficit of this size would have for interest payments abroad, would make increases in the deficit self-perpetuating."

"While this situation is, in the staff's judgment, unsustainable, it is much more difficult to say when, how, and by how change."

As a working assumption the Fund suggests that the U.S. will remain in substantial deficit of about 3 per cent of GNP by 1990 and it says: "Continued improvement in the U.S. current account position after 1990 would thus be required."

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## India to invite new tenders for cross-country pipeline

By John Elliott in New Delhi

THE Indian Government has decided to invite fresh tenders for its proposed 1,718 km cross-country natural gas pipeline combining in one contract all the work apart from the supply of pipe.

This decision ends months of debate over whether the \$1.2bn (£1.09bn) work should be awarded on a piecemeal or turnkey basis with a compromise of separate contracts for supplying the pipe and what the Government is calling a composite contract for laying and completing the project.

The start of the project will be delayed by four to five months, but the Government hopes this will be made up by more efficient project management.

ment than would have been available if a large number of contracts had been placed.

The pipeline will carry natural gas from the west coast of India near Bombay, north-east across the country to a point near the Nepal border, serving six new fertiliser plants.

Bids already received from countries for supplying the pipe which ranges from 36 in diameter to 18 in will now be evaluated, and contracts will be awarded during the summer.

Front runners include NKK and other Japanese steelworks co-ordinated by the Sumitomo trading house, Intergas of Brazil, Mannesmann and Bergrohr of West Germany, and other European companies including British Steel.

The decision not to award piecemeal contracts is a victory for Sanprogetti of Italy which on its own initiative submitted a turnkey tender of \$738m with C. Itoh of Japan. Last month, it reduced this by \$100m.

A Franco-Japanese consortium, Spie-Capag Toyo and a Canadian consortium of Majestic Contractors and the Alberta-based Nova have also shown interest in a turnkey approach and are now likely to join the bidding with other groups.

The contract documents will state that the size and terms of soft credits and the use of Indian companies and products will affect who wins the order.

Tenders will probably be invited within a few weeks.

## Britain is criticised over export support

By Christian Tyler, Trade Editor

THE BRITISH Government was criticised by industrialists and bankers yesterday for an "ambivalent" attitude towards providing financial support for big exporters.

Outside advisers to the Department of Trade and Industry pointed to what they said was a conflict between the DTI and the Treasury which was giving the impression abroad that Britain was not wholly committed to promoting sales of capital goods.

The fourth annual report of the Overseas Export Board said that capital project business in the world had halved, since the 1970s, competition was intense and increasingly took the form of credit competition between nations, rather than companies.

Mr Roy Withers, chairman of the Board and deputy chairman of plant contractors Davy Corporation, said he would like to see the aid-and-trade provision, budgeted at \$66m, at least doubled.

The report showed that the UK has the lowest ratio of bilateral-multilateral aid and by far the smallest total aid budget of the top five richest nations.

Support from the Aid and Trade Provision (ATP) was in some markets, particularly South-East Asia, the only way British companies could now win orders.

Other members complained of "delays" in the vetting of applications by exporters for ATP money and said Japan and France both used their tied aid programmes in a more commercial and efficient way. They said the UK should adopt the same policy.

But none was able, or willing, to provide detailed examples of orders lost for lack of public money to soften the credit terms to this buyer.

The report harks back to the future which followed publication of a report by government economists—the Syatt Report—which challenged the economics of such subsidies for British exports.

It said Britain was a net loser if export sales were won with the help of the aid programme or subsidised trade loan interest rates.

## CALL TO FIGHT OFF JAPANESE CHALLENGE

# Thomson chief backs protectionism

By Paul Betts in Paris

M. ALAIN Gomez, the chairman of Thomson, the nationalised French consumer electronics and defence group, called yesterday for protectionist measures to safeguard the European video and electronic "brown goods" market from the increasing threat of Japanese competition.

M. Gomez also suggested yesterday that Thomson was now preparing to retreat from the hi-fi market which had led to losses of about FF 250m (22m) last year for the French group.

"If Europe does not decide quickly to protect itself it will find it increasingly difficult to fight off the Japanese challenge," M. Gomez said, warning that the European Electronics "brown goods" market risked ending up being taken over "like the U.S. market," by the Japanese.

M. Gomez, like other European consumer electronics industrialists, is pressing the European Economic Community to increase duties on Japanese video cassette recorders to protect European manufacturers.

Thomson, with production of 750,000 video-cassette recorders last year, is Europe's largest manufacturer.

M. Gomez said Japan already controlled 80 per cent of the European hi-fi market and 80 per cent of the European video cassette recorder market. In the U.S., Japan has a 95 per cent share of the hi-fi market and virtually 100 per cent of the VCR market.

"If the situation remains unchanged, it will be suicidal for Europe," M. Gomez said. He added that the U.S. could afford to abandon the "brown goods" market to the Japanese because they remained world leaders in

defence electronics and computer technology.

"This is not the European situation," he argued, suggesting that should the European consumer electronics industry collapse to the Japanese, it will in turn lead to the collapse of the European electronic components industry.

If that happened, M. Gomez suggested it would be difficult for Europe to remain an advanced industrialised society. Duties on colour television sets had so far managed to protect the colour TV market in Europe where the Japanese now have a 15 per cent share.

M. Gomez argued that the pressures of Japanese competition would inevitably remain intense as long as Japan had a 25 per cent cost advantage on European manufacturers. Thomson is now envisaging reducing significantly production

of its hi-fi equipment at its facility at Moulins in central France. M. Gomez suggested Thomson might eventually abandon altogether the hi-fi market which is now in a profound slump.

Thomson's eventual retreat from this market would represent a major reversal in French electronics policy. Indeed, the French group was pressed by the Government a few years ago to set up a French hi-fi industry.

The group, which has been buoyed by major defence contracts from Saudi Arabia, is now competing for a \$4.5bn (£1.1bn) U.S. army contract to provide a new battlefield communications system.

Thomson has linked up with GTE of the U.S. to compete against a rival bid from Plessey of the U.K. linked with Rockwell of the U.S.

Thomson results, Page 28

## BCal arranges £82m aircraft finance package

By Michael Donne, Aerospace Correspondent

BRITISH Caledonian Airways, the independent airline, has arranged an £82m package to finance the acquisition by the airline of two wide-bodied jets—a Boeing 747 and a McDonnell-Douglas DC-10—for its expansion of services this spring and summer.

The aircraft are being primarily financed through UK tax lease arrangements with subsidiaries of the Trustee Savings Bank Group (TSB) and the Forward Trust Group (FTG). Under the terms of the deal, both TSB and FTG will lease the aircraft to Marubeni Corporation (guaranteed by the Bank of Tokyo and Fuji Bank) and Mitsui Company of Japan. They, in turn, will sub-lease the two aircraft to British Caledonian.

The Boeing 747 has been acquired second-hand from Alia, the Jordanian airline, while the DC-10 has been acquired from Ariana, the Afghanistan airline.

The overall financing package has been arranged by the Caledonian Aviation Group's Finance Division, with the U.S. investment bank, Goldman Sachs, acting as advisers.

The latest additions to the B-Cal fleet will bring its total fleet this summer to two 747s, nine DC-10s, two A-310 Airbuses and 13 One-Elevens.

## Plan for Swiss to buy Land Rovers delayed

By William Dullforce in Zurich

A DEAL under which Britain's Land Rover would sell 4,000 of its four-wheel drive vehicles to the Swiss army has been delayed by the decision of a Swiss parliamentary commission to call for a new evaluation of the vehicles' emission levels.

The decision has revived the hopes of Land Rover's rival, Austria's Steyr-Daimler-Puch company whose Puch G3 vehicle, sold as the Mercedes-Benz G-Wagen, appeared to have lost the race.

The commission's action is also seen as a response by Swiss politicians to the selection by the Royal Air Force of the Short Brothers Embraer trainer instead of the aircraft offered by the Swiss Pilatus Company.

The contract with Land Rover

has been under negotiation since 1976. The commission decision means the Swiss army is unlikely to obtain replacements for its ageing U.S.-built Jeeps before 1988.

Kenneth Gooding, Land Rover's sales director, said the company had no difficulty in meeting the emission requirements and "we are confident any further evaluation would tend to favour our product."

"The issue of aircraft purchase at no stage formed any part of our negotiations with the Swiss authorities." However, there were some counter-purchasing proposals agreed: Land Rover was to buy such items as aluminium sheet, tyres and batteries from Switzerland.

## Philips-China audio move

EINDHOVEN—NV Philips of the Netherlands, the Peking Radio and Television Industrial Corporation, and the China Electronics Import and Export Corporation are setting up a joint venture to build a new audio equipment factory in Peking, Reuters reports.

The factory, in which Philips and the Chinese will each have a 50 per cent interest, will have an annual capacity of more than 100,000 units, such as sound machines and

portable compact disc combinations.

Construction will start shortly and the plant is expected to be operational within a year.

The factory will have a business volume equivalent to about £120m (£45m) in the second year of operation.

Philips said it will be built by the Chinese partners to Philips' specifications and based on its factories in Vienna and Singapore.

## Tokyo, U.S. 'flirting with danger over trade'

By Jurek Martin in Tokyo

JAPAN and the U.S. "are really flirting with danger over the bilateral trade imbalance," according to Mr. Lee Iacocca, chairman of Chrysler.

At a free-wheeling speech and Press conference here, Mr. Iacocca said he had never seen "such a hostile Congress" and that protectionist sentiment, especially in the Senate, could "get out of hand."

However, he added it was "presumptuous" of the U.S. to tell Japan "how to fix the problem," half of which lay with the value of the U.S. dollar.

But Japan needed to show both its "intentions" and "some proof at some point" that its inexorably rising surpluses were being reduced.

Mr. Iacocca, who came to Japan to sign a joint venture

agreement with Mitsubishi Motors for the production of cars in the U.S. Midwest, is becoming something of a minor cult figure here, though not yet on the U.S. scale.

A translation of his autobiography, for months on top of the U.S. best-seller lists, has sold more than 300,000 copies since it appeared in Japanese shops—a remarkable performance for a foreign book.

He has thus been accorded something close to the access normally reserved for visiting statesmen, including sessions with both the Foreign and Trade and Industry Ministers.

His public message was that "we can't continue this way," in trade matters, though he was careful to spread responsibility equally between the U.S. and

Japan. He warned that the consequences of protectionist action by the U.S. "are not healthy."

On the joint venture with Mitsubishi Motors, Mr. Iacocca confirmed that negotiations with U.S. unions would be Mitsubishi's responsibility and that five Mid-Western states were being considered as a site. A prime criterion was "a good labour environment, whatever that means."

He claimed that the new car, to be available by 1988, would be \$500 (£454) cheaper than current prices.

Tax differentials and the foreign exchange factor made it impossible to realise the \$2,000 saving which Japanese manufacturers are reckoned to enjoy on a typical car they sell in the U.S.



Mr Lee Iacocca

## Tebbit urges more investment in W. Europe

By Our Foreign Staff

BRITAIN'S Trade and Industry Minister, Mr Norman Tebbit, yesterday called for more investment in Western Europe of funds held by the Japanese Post Office life insurance and pension schemes, Japanese officials said in Tokyo.

Mr Tebbit, now on a five-day visit to Japan, made the request when he met Japan's Posts and Telecommunications Minister, Mr Megumu Sato.

The officials quoted Mr Sato as saying Japan put 20 per cent of Post Office funds into foreign bonds last year and his ministry was considering more such investment.

The ministry announced yesterday that outstanding net investment in foreign bonds by the funds doubled to ¥634.8bn (2.2bn) at the end of fiscal 1984.

Welcoming Japan's recent market-opening moves in telecommunications, Mr Tebbit told Mr Sato that Britain's Cable and Wireless Company hoped to enter the Japanese market.

Mr Sato told Mr Tebbit he was planning to visit Britain in early July.

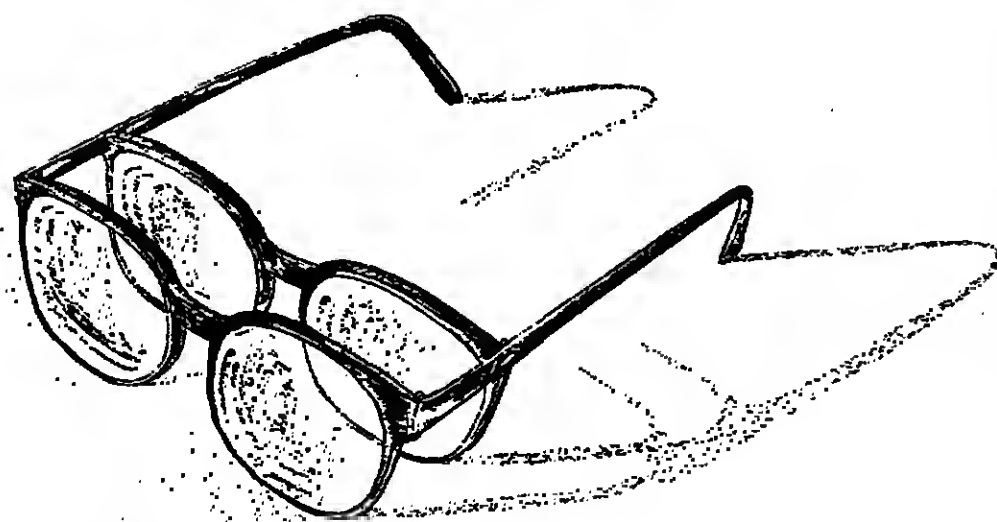
British and Japanese officials will hold a third round of telecommunications market access

talks in July.

The consultative talks began in 1982 on an annual basis, but were suspended in 1984 because of Japan's preparations for privatisation of the state-owned Nippon Telegraph and Telephone Corporation.

The new round of talks was confirmed in yesterday's meeting between Mr Tebbit and Mr Sato.

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Balance Sheet as at 31st December, 1984.

### CONSOLIDATED BALANCE SHEET

	1984 U.S. \$000	1983 U.S. \$000
<b>ASSETS</b>		
Cash and Banks	339,250	434,236
Cash and Due from Banks	1,308,867	1,370,167
Time Deposits and Certificates of Deposit	1,648,117	1,804,423
Investments	230,696	152,440
Loans & Advances	2,419,509	2,339,279
Accrued Interest Receivable and Other Assets	102,883	96,751
Fixed Assets	43,703	43,208
Total Assets before Contingent Accounts	4,444,918	4,436,101
Clients' Liabilities for Letters of Credit and Letters of Guarantee (as per contra)	737,616	912,245
	5,182,534	5,348,346
<b>LIABILITIES</b>		
Customers' Current & Deposit Accounts	983,375	1,017,486
Time and Fixed Deposits	2,765,873	2,719,210
Bank Borrowings (Facilities)	92,264	156,569
	2,858,137	2,873,279
Certificates of Deposit	40,000	40,000
Shareholders' Loan	11,737	941
Proposed Dividends	7,375	14,575
Accrued Interest, Provisions & Other Liabilities	229,449	166,503
Minority Interests	67,315	80,178
Total Liabilities	4,797,388	4,194,521
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	150,000	140,000
Reserves	98,510	98,954
Undivided Profits	941	2,628
Revaluation of Branches' Capitals	(1,921)	
Total Shareholders' Equity	247,530	241,582
Total Liabilities & Shareholders' Equity before Contingent Accounts	4,444,918	4,436,101
Group's Liabilities for Letters of Credit and Letters of Guarantee (as per contra)	737,616	912,245
	5,182,534	5,348,346

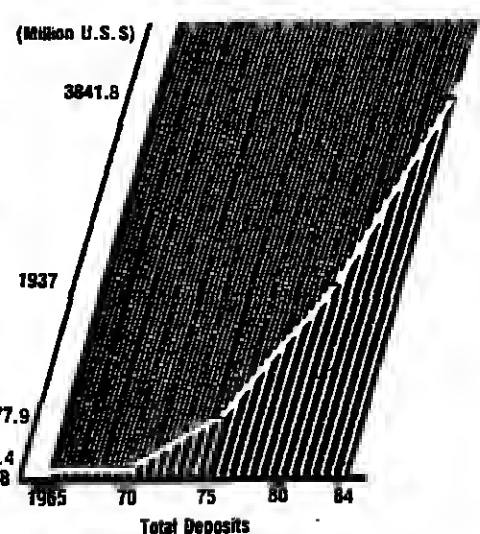
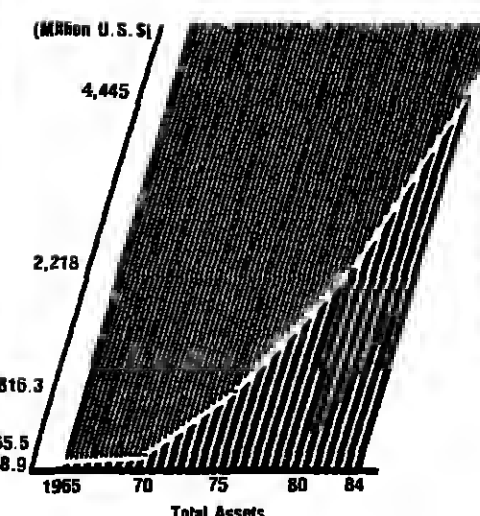
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Public Accountants (Cairo)

Zaki Hassan, Hazem Hassan & Co.  
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# Alan Cane on the building blocks of 21st century industry

## The most material factor in Japan

WHILE THE UK Government ponders its role in helping industry develop the wonder materials of tomorrow, Japan has already decided to go for the gold.

Already second only to the U.S. as a producer of the new, high technology materials which make possible everything from plastic cars to warm lavatory seats, Japan is mounting a broad-based effort to compete on the four most important fronts—fine ceramics, carbon fibres, engineering plastics and amorphous metals.

More than half of all Japanese Government spending on high technology research and development goes on advanced materials, according to a new International Business Information report. It spent ¥3.2bn (\$12.75m) in 1984 and plans to spend ¥3.6bn this year.

The average annual growth rate of the budget for research and development into new materials in Japan between 1981 and 1985 was 28 per cent, compared with only 19 per cent for biotechnology, another area where Japan is accelerating its efforts.

Yet the Japanese are concerned that the U.S. is outspending them by about three times, chiefly because of the lack of major military development programmes in Japan.

The Ministry of International Trade and Industry, the co-ordinating force behind the new materials effort, is therefore spending big money to support research initiatives. Aluminium alloys impregnated with ceramic particles to give unparalleled strength and lightness is one example; the development of machines that emit streams of electrons with such force and precision that they can be used to machine fine ceramics, is another.

And it is looking to new legislation to expand government support. Its ideas include favourable tax and finance measures to promote the use of new materials, better subsidies for research and development and more money for gathering technical information to help public and private research.

The Japanese are well aware that the U.S. Government is European companies and then licensed to Japanese producers.

It suggests that firms specialising in engineering plastics—Toray, Asahi Chemical and Mitsubishi Chemical, are good examples—will continue to record relatively high growth in sales because they have established their position in several of the major engineering plastics markets and have developed and patented advanced technology for the production of FFS in the form of film suitable for heat insulated tape and flexible printed circuit boards.

And last year, Kureha Chemical announced a patent application for a way of making FFS that gives a purer, lighter coloured product than the Phillips process. The company is constructing a pilot plant to supply manufacturers of magnetic tape, integrated circuit packages and other electronic components.

There are areas, however, where Japan is already the world leader. Through its innovative company Kyocera it is the leading producer of the ceramic cases used in package silicon chips and other micro-electronic components to keep them safe from the outside world.

Its other lines include hand-held computers (the Olivetti M10 is a Kyocera machine), Yashica brand cameras and artificial bones and joints.

While the U.S. has been maintaining its lead and Japan planning to build on its strengths and eliminate its weaknesses, the UK Government is still considering its response to the Collyer Report, published earlier this year, which asked for a minimum of £50m to be invested by the Government in a £120m research and development programme to last, in the first instance, five years.

The Government asked for comments on the report from industry, the response is said to be "healthy" but no date has been set for a formal reply by Mr Geoffrey Fattis, the Industry Minister.

Japan's New Materials Industries, International Business Information Incorporated, 1985, £550 for Marketing Strategem for Industry, 01-640 6621.

developed speciality production techniques.

Phillips Petroleum of the U.S., for example, developed polyphenylenesulfide (PPS), an engineering plastic with superior heat resistance which finds application in electronic components and motor-car parts, in the early 1970s.

Two years ago, Phillips and Toray established a joint venture for the production of PPS base resin. Toray has now

NEW VERSUS OLD: THE PRODUCTION STATISTICS			
	1983 Actual Ybn	1990 Forecast Ybn	Actual growth 1983-90 %
New materials			
Fine ceramics	396	1,500	19.0
High polymers (Engineering plastics)	430	1,000	13.0
New metals (Amorphous metals)*	170	550	18.0
Composite materials (Carbon fibres)	25	150	29.0
Total (A)	1,021	3,200	18.0
Conventional materials			
Steel	14,073	19,000	2.0
Non-ferrous metals	6,935	8,500	3.0
Ceramics	8,627	10,500	2.0
Chemicals	19,227	24,000	3.0
Textiles	8,062	9,500	2.0
Pulp and paper	7,061	8,200	2.0
Total (B)	65,985	79,700	3.0
A/B (%)	1.5%	4.0%	

\* Based on total price of components. Source: IBI, MITI for 1983 conventional material figures.

## The art of mapmaking becomes a science

A MAP of a town that gives details not only of the layout of houses but who lives in them and the position of the water pipes underneath would stretch to its limits conventional map-making technology.

So a company in Cambridge turned to the computer in an effort to create maps that can contain a wealth of written information as well as diagrammatic detail.

Applied Research of Cambridge came up with a system that it hopes to sell to bodies such as local authorities which want a modern way of gaining access to the huge amount of building-related data that they may already store in different archives.

The company's first sale was a £500,000 system based on seven Tektronix terminals and a Prime computer, installed at the Wallingford offices of South Oxfordshire District Council.

With a keyboard, people in the council's planning department can call up from a memory a map of a specific part of the district.

Together with this, they can obtain written information about, for instance, drainage pipes or applications for new buildings that might affect specific houses in the area.

Applied Research, which has annual sales of about £5m and is in the process of being acquired by McDougal Douglas, the U.S. aerospace giant, has sold similar systems to the Government's Ordnance Survey in Southampton and to the Swindon-based Water Research Centre, a body owned by Britain's water industry.

## How to save energy in office or factory

BY PETER MARSH

ARCHITECTS AND the managers of buildings could benefit from closer control of energy costs using computer models, according to Amazon Energy of Milton Keynes.

Amazon represents one of the first fruits of a venture by the Legal and General insurance company to commercialise technologies developed by groups such as university research teams or members of the Association of Independent Contract Research Organisations.

The Milton Keynes company is owned by Cogent, a holding company for technology-based concerns set up by Legal and General with funds of £12m. Cogent aims to apply marketing strategies to inventions to turn them into commercial propositions.

Besides computer software, Cogent is backing, using this mechanism, work in other areas such as sensor technology for medical products, water-treatment techniques for the Third World and new types of computer systems that require powerful machines, for example, from companies such as Apollo.

A typical system costs about £35,000, of which software accounts for £15,000.

So far Amazon has sold its computer software to a dozen customers, mainly local authorities and other organisations such as the BBC and the Open University.

Amazon has also helped in consultancy projects, for example, to analyse the energy requirements of a design for a new police headquarters for Avon County Council.

Other developments by Cogent are mostly still in the embryo stage. They include:

- Work in water treatment, for example cleaning up waste water to give a product fit for drinking.
- Development of novel types of sensor.
- Investigation of the potential of neutron beams as a way of probing the structure of materials.

everything that happens within the structure.

The computer digests the information and turns it into a recipe for how the building should be managed to minimise energy costs. For example, the machine would give hints as to the most efficient type of heating and when it should be used.

Mr Mellor and Dr Jones set up their own company to commercialise their ideas. Last year, it was brought inside the Cogent structure as Amazon Energy.

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## Office systems Northern Telecom leaps ahead

NORTHERN TELECOM Data Systems has made a new thrust into the office automation market with its Vienna professional computer which, it claims, offers standards previously associated with minicomputers.

Suitable for individual and corporate users, Vienna-PC uses two Intel 186 processors, one for graphics and the other operating as the central processor.

The PC operates as one of the terminals in NT's new Vienna-Office, which includes systems for word processing, text retrieval, database management, spreadsheets, electronic mail and a teleprinter interface.

Vienna-Office is available on a suite which is available on a complete Vienna family of shared resource computers, terminal computers and a new PC. It can operate simultaneously in five European languages on a single system.

Vienna-Office, with 13 applications on a multi-user system, is priced at about £1,000 a workstation. More on 05527 63161.

## Software BASIC for the Macintosh

MICROSOFT, the company which put the BASIC language on the first personal computers has developed a version for the most advanced in the field.

It has announced a version for the Apple Macintosh, Apple's leading office machine with screen pictures.

The New BASIC also provides "mouse" commands—for the desk-top gadget that controls the screen—and "pull-down" menus, lists of possible options which can be called to the screen.

The new Microsoft BASIC, version 2.0 for the Macintosh costs £145.

## Semiconductors Control chip

INTERNATIONAL RECTIFIER has produced the first of a new family of power hybrid devices combining HEXFET technology with thick film substrate mounting in a single in-line plastic package.

The devices will be used to control disk drives, streaming tape drives and 6-step motor drives.

The shareholders of Sandvik Aktiebolag

are hereby invited to attend the Company's Annual General Meeting, which will be held at Folkets Hus in Sandviken, Sweden on 10 May 1985, at 2 p.m..

Notification

Shareholders wishing to attend the Meeting must notify the Board thereof (Sandvik AB, Koncernstab Juridik, 811 81 Sandviken, telephone +46 26 26 52 70) not later than Monday 6 May 1985. In order to qualify for attendance, shareholders must have been entered in the Share Register kept by the Securities Register Centre (Värdepapperscentralen, VPC) not later than Tuesday 30 April 1985. A shareholder who has had his shares registered as held in trust by the trustee department of a bank or by a private stockbroker ("förvaltare") must have them temporarily registered in his own name not later than 30 April 1985.

Agenda

1. Items, which according to the Companies' Act and the company articles of association shall be taken up at the Annual General Meeting, including presentation of the annual report and auditors' report, decision as to whether to adopt the Profit and Loss Account and Balance Sheet as well as the consolidated Profit and Loss Account and Balance Sheet, discharge of the liabilities of the Board of Directors and the Managing Director and the allocation of the company's profits as per the adopted balance sheet, determination of the Directors' remunerations and the auditors' remunerations and election of the directors and auditors.

2. To consider a proposal by the Board authorizing the Board to make a decision on the issuance of convertible bonds before the 1986 Annual Meeting whereby, without first right of refusal for shareholders, the bonds may be subscribed for by employees of the Sandvik Group in accordance with what the Board decides thereof.

Dividend

The decision of the Annual General Meeting relating to the dividend shall specify the day on which the Share Register as recorded by the VPC (Värdepapperscentralen) and also the List of Assignees etc. shall be recorded. The Board proposes 15 May 1985 as the record day (avstämningsdagen). If this proposal is adopted by the Meeting, it is estimated that the dividends will be sent out by the VPC on Thursday 23 May 1985 to those who, on the record day, are entered in the Share Register or on the separate List of Assignees.

Sandviken April 1985  
The Board of Directors  
**SANDVIK**

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## Plastic surgery comes to aid of 3D TV animations

RESEARCH INTO techniques to aid plastic surgery is producing a new form of pictures for TV watchers.

Chris Briscoe and Paul Brown, two researchers at London's Slide School of Fine Art, left the institution to found Digital Pictures, a company working on novel techniques in computer animation to provide pictures for TV and advertising films.

The software used by the company is based on programs developed by Biscoe at the school, part of London's University College, as aids in the reconstruction of facial tissue in surgery.

In this work, physicians need a way of modelling a three-dimensional image of the type of features they are trying to create. Software of the kind used in manufacturing industry in computer-aided design can help by building up a screen different elements, such as ears, nose and eyes, to provide a complete picture of a person's face.

By passing different instructions through a computer, a doctor may be able to change the look of various aspects of the face. This is in much the same way that in Identikit procedures, a police officer would build up a picture of a person suspected of a crime by moving around on paper different sets of facial features.

Digital Pictures is one of about a dozen companies around the world working on new computer techniques to use in animated films. Other companies include Digital Production in the U.S. and the UK organisation Electronic Art.

Digital Pictures, formed two years ago, has sold film sequences to TV companies such as Gramplan and Granada, as well as to the advertising industry. A sequence of 10-15 seconds costs £10,000-£25,000 and can take a month of production time.

To make the sequence, designers at the company manipulate data using three powerful Data General computers. Processed with software based on the work at the Slide School, the data produces a set of images that are captured by a film camera.

P.M.

Look who's coming to Biotech 85

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April 1985

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Earnings  
Funds generated from operations (adjusted) + 5%  
+11%

The consolidated figures for fiscal 1984 are:

(in French franc millions)

1984 1983 %

Sales 3,407 3,283 +4%

Earnings (Group share) 134 129 +5%

Funds provided from operations 433 330 +31%

The very sharp increase in funds generated from operations stems from a foreign investment tax allowance; without this allowance, the increase would have been 11%.

Furthermore, these figures do not include the two subsidiaries bought at the end of 1984, namely:

- PASS & SEYMOUR, one of America's top five makers of electrical fittings. This firm reported a 24% rise in income in 1984.
- CATL, a leading French and European maker of safety equipment for work being conducted on electrical installations.

If these two companies had been consolidated in 1984, the Group's sales would have approached the FF 4 billion landmark.

In view of this performance, the Board has decided to propose to the Annual General Meeting, which is due to meet in Limoges on June 18, 1985, to increase its dividend per share by 4.5%, i.e.:

- On ordinary shares: FF 57.50 (FF 66.25 including tax credit)
- On preferred shares: FF 92.00 (FF 138.00 including tax credit)

An interim dividend of FF 31.25 on ordinary shares and of FF 50.00 on preferred shares, was declared on January 31, 1985.

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In accordance with terms and conditions of the Notes, the interest rate for the period from 15th April 1985 to 15th October 1985 (183 days) has been fixed at 9.875 per cent.

Interest for the period will be paid on 15th October 1985 at KD 49.510 per coupon.

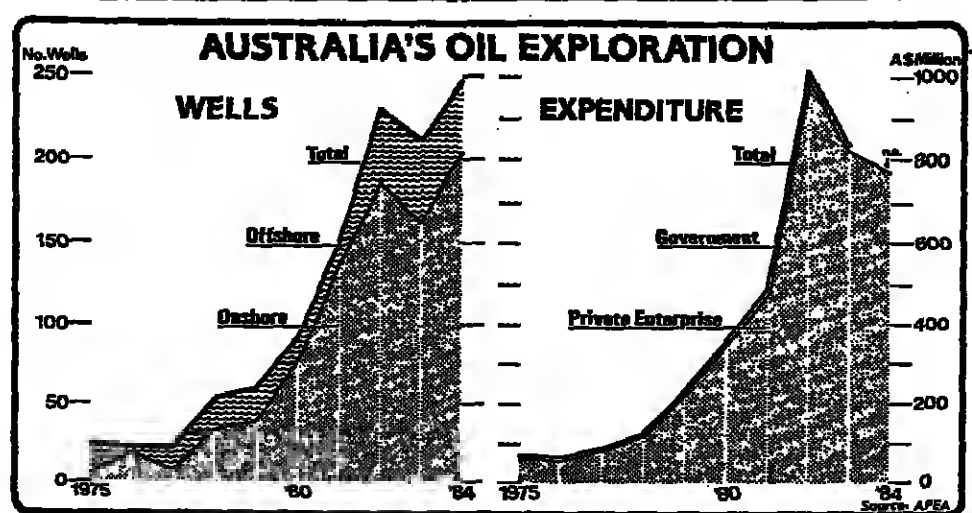
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## RESOURCES REVIEW



## Hawke's tax net troubles Australian oil industry

By Michael Thompson-Noel in Sydney

AS THE good burghers of Perth discovered recently, hosting the annual conference of the Australian Petroleum Exploration Association (Apea) can be almost as lucrative as striking oil.

There was much banqueting and junketing, plus one or two good jokes, such as the remark by Sir James Balderstone, chairman of Broken Hill Proprietary (BHP), that he'd had rack of lamb for lunch again at the cabaret, so that if New Zealand had a trade problem, he reckoned he'd eaten it.

The theme of the conference was nominally "25 years — a national achievement," in celebration of the Australian oil industry's growth since 1959, when Australia was almost 100 per cent dependent on imported oil, to the present, when oil imports have been reduced to about 10 per cent of total needs.

There was also a fair degree of whingeing — primarily over the Hawke Labor Government's tax plans for the oil industry, which maintains that Australia's quest for virtual self-sufficiency in petroleum products into the 1990s could easily be hampered unless the Government's greed for revenues is tempered.

By 1983, when Australia celebrates its bicentenary, it will already be practically self-sufficient in oil — yet another illustration of how Mother Luck has cosseted Australia, which in 1952 was the third most prominent of the five OECD countries that are net exporters of energy. (Australia has about 6 per cent of the world's coal, about 0.4 per cent of its liquid petroleum resources, and more than a quarter of its low-cost uranium — plus vast reserves of gas).

Australia has 43 sedimentary basins: 27 onshore, 21 wholly or partly offshore. Its potential maritime claim covers an area of ocean almost as huge as its land mass. Yet because of its size, Australia is almost unexplored, at least by U.S. standards. Western Australia, for example, has seen only one exploration well for every 2,600 kilometres, whereas in the U.S., they are still dredging up oil in areas that have seen one well per eight or 10 sq km.

Studies indicate that Australian explorers have a 50:50 chance of finding between 3bn and 4bn barrels of oil, in addition to that already found. But only about 20n barrels are likely to be found in areas reasonably conducive to conventional development — and in mainly small-to-medium fields, at that.

If it is to counter falls in production from existing fields, Australia will have to maintain offshore activity at or about the 1982 level, as well as sustaining onshore exploration at its present rate. However, offshore activity is at present declining slowly.

Factors cited by the industry include the lack of a major discovery in the past six years, softer oil prices, the awarding of few new exploration permits in the past two years — and adverse tax changes.

Offshore drilling last year fell by 12 per cent. More importantly, wildcat activity in high-risk/high-cost/non-producing areas remains low. This year, 37 offshore exploration wells are expected, costing A\$412m (£221m), against 201 onshore wells for which A\$377m has been budgeted.

Apea says there is about a 2 per cent chance of finding pools in excess of 40n barrels, most of which are expected to be found in high-risk areas.

"These pools," it says, "are critically important to supporting Australia's future oil supply."

In contrast, it says, exploration is at present heavily biased

towards areas which are only likely to contribute 20 per cent of production. "This bias needs to be reversed... the dilemma for the Government is that the larger the areas are the prime target for higher taxes."

It is on this note — concern over the future tax treatment of the oil industry by the Hawke Government, as well as by individual states — that Australia's oilmen are currently badgering for action and reassurance.

Other concerns include the possible setting up of a national hydrocarbon corporation, excessive regulation, moves to strengthen Aboriginal land rights legislation and to expand national parks, high real interest rates and low prices and restricted outlets for natural gas, but tax is the main bugbear.

Mr John Fitzgerald, managing director of Vangas (a subsidiary of Woodside Petroleum), and chairman of Apea, says he welcomes the Government's promise of major changes in Australia's tax structure — there is to be a "tax summit" in Canberra in July — but that the industry has urged the Government to undertake no major tax initiatives until their likely impact has been fully assessed.

He says that the Government's decision last year to introduce an excise on "new" oil discoveries in existing production areas, as well as a resource rent tax (RRT) on greenfield offshore oil and gas developments — plus a proposed system of cash bonus bidding for exploration permits in more prospective offshore areas — will all operate to

reduce exploration spending and production.

Mr Kevan Gosper, chairman of Shell Australia, which has invested massively in Australian resources over the past decade, says that whereas at present Australia has a small surplus of light crude, production from the major Bass Strait oil fields, discovered in the 1960s, is expected to begin declining rapidly.

Over the past decade, despite a benign tax regime, only 600m to 800m barrels were found, whereas Australia produced and consumed about 1.4bn barrels.

Over the past five years, Shell has spent A\$54m exploring in the onshore yet remote and risky Officer Basin of Western Australia; it found nothing.

By discouraging rank wildcat exploration, says Mr Gosper, the attractiveness of oil and gas exploration off Australia's coast, compared with areas such as the North Sea which have a high geological prospectivity, has been reduced.

Furthermore, several countries, including the UK, have recently reduced taxation to encourage exploration just at the time when Australia is raising taxes.

Compounding the problem, as the industry sees it, is Canberra's plan to introduce soon a system of cash auctions for exploration permits in highly prospective offshore areas, initially in five areas of the Timor Sea, close to the Jervis LA find where BHP and its partners discovered oil last year.

Cash bidding for choice acreage involves up-front payments and will supplant the current work programme scheme, seen by the Govern-

ment as inflexible and inefficient.

Oilmen maintain that the case for cash bidding has been weakened by the Government's original grading (it was originally hailed as possibly indicating a bonanza oil province), and by weakening world oil prices.

They list other objections to cash bidding, maintaining that it will:

- Waste exploration funds;

- Prove inappropriate (the Timor Sea is complex both structurally and stratigraphically, and will need extensive exploration over many years and at high cost);

- Disadvantage those Australian companies that are small by world standards.

No-one in the industry likes the sound of cash bidding, Sir James Balderstone says: "Government expenditure, and hence its demands for revenue, continues to grow seemingly without regard to the performance of the economy. Overseas, cash bidding is reserved for relatively small mature areas, and areas where geological and seismic data enable rational economic assessment. At present, the Timor Sea has none of these characteristics."

The star exhibit at the Apea conference was Australia's new Minister for Resources and Energy, Senator Gareth Evans (formerly the Attorney-General), making his first appearance before a major resources industry forum.

Bearded and cocky, Sen Evans mounted a detailed defence of Hawke Government oil policies, saying he could see no reason to expect exploration activity to decline markedly.

Onshore activity was expected to hold up; offshore, he had seen no evidence of a dramatic decline in activity since the Government won power in March 1983 and began publicly to develop its RRT proposal.

As for cash bidding, he said the prime aim was to promote allocational efficiency, arguing that far from operating to divert a given quantum of funds out of the exploration arena and into Canberra's coffers, "information which has come to my department from overseas sources suggests that the net effect of cash bidding may be to add substantially to the pool of investment funds available for exploration in the medium term."

"It appears that a number of overseas companies with no previous experience in Australia who have been very reluctant hitherto to compete against those with local knowledge and experience in work programme bidding, have now expressed an inclination to participate in cash bidding auctions."

Nor was he impressed with the claim that cash bidding would discriminate against most Australian companies.

"Although there are no Australian equity requirements at the exploration stage, many foreign companies seek to include Australian companies in their consortia because of the 50 per cent local equity requirement should petroleum be found and developed," he said.

"Under cash bidding, there is no reason whatever to anticipate a change to this practice."

Last month the Australian dollar sagged badly against its U.S. counterpart, prompting hurried recalculations of oil stocks' attractiveness and sparking a rush of local stock market activity.

On some calculations, the country's oil producers will raise earnings by up to 50 per cent in 1985-86 if the Australian dollar stays at around U.S.70c.

The biggest winners might be BHP and Mr Robert Holmes & Court's Bell Resources, with the Cooper Basin producers, including Santos, Crusader, Claremont, Bridge Oil and Moonie, also benefiting.

Demand for petroleum fuels (excluding LPG) is thought likely to increase at 6.2 per cent per year, says the Department of Resources and Energy. Demand is expected to rise gradually from just under 220m barrels a year to some 235m barrels.

Apea says that, in order to maintain self-sufficiency, Australia needs to drill more than 200 wells per year and maintain an average annual discovery rate of 200m barrels to compensate for declining production from existing fields.

## SPACE PHOTOGRAPHY

## A French challenge for Landsat

By Peter Marsh

FRANCE is taking on the U.S. in the fight to turn the esoteric technology of taking snapshots from space into a serious business undertaking.

While the U.S. struggles to transfer to the private sector a state-owned service in which satellites take pictures of the earth from an altitude of several hundred kilometres, France is forging ahead with plans to launch a commercial remote-sensing satellite in October.

Spot-1 will be operated by a company called Spot Image which is partly backed by the French Government. Helped by improved satellite technology and an aggressive marketing attitude, the Toulouse-based company hopes greatly to expand the customer base for information from space.

With such pictures, scientists can monitor huge swathes of land and sea, regardless of political boundaries and the inhospitability of terrain which may make conventional surveying difficult or impossible.

Such data has helped in a variety of projects all over the world, from assessment of sites for dam or road building to searches for fish-breeding areas.

Data from the U.S. Landsat series is sold to customers such as minerals companies and farming organisations, which with the pictures look for oil deposits and monitor crop growth. Although total sales of raw Landsat data account for no more than \$20m a year, sales of "value-added" products such as oilfield surveys or super-accurate maps which are derived from the information may be 10-20 times higher.

Spot Image hopes to inject commercial attitudes into a discipline that, until now, has been left largely in the hands of scientists.

While data from the U.S. Landsat satellites is available in an often sporadic fashion

mainly from government agencies around the world, the French aim to barrow the energies of private distributors who will be given financial incentives to market Spot information to new customers.

Such organisations could include insurance companies, which could check on claims for damages to cropland in remote areas with the pictures and shipping organisations, which (using data derived from the oceans) could watch out for oil pollution or icebergs.

The Spot satellite should give pictures with a higher resolution than those from Landsat, in which objects of dimensions of 30 metres are the smallest that can be picked out.

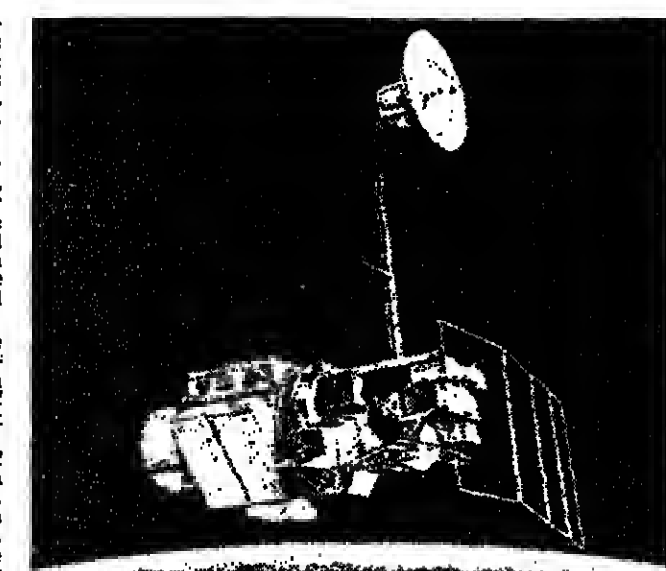
Computer simulations of Spot pictures show London buses and parked aeroplanes. The Spot satellite will obtain images in several wavelengths. By showing up, for instance, the degree to which plants reflect infra-red radiation, the images should pinpoint different types of crop in fields no bigger than a soccer pitch.

And while Landsat craft follow a circumscribed orbit so that they fly over a given point on the earth's surface roughly once a fortnight, the comparable time for the more flexible Spot should be a few days.

The French Government as part of its ambitious space programme is contributing some \$500m to develop and launch Spot-1 and a second remote-sensing craft due to enter orbit later in the decade.

However, M Andre Fontanel, Spot Image's general manager, says that the company will operate with very little interference from state bodies. By the end of the 1980s, he hopes to sell 50,000 to 80,000 images a year, each containing information about an area of the earth 60 km square.

A computer tape containing the pictorial information as a



The U.S. Landsat satellite.

sequence of digits will sell for \$1,000, while a simple photograph of the area in question will cost about \$200. The computer tape can be processed electronically, for example to merge the satellite data with other information or to pick out specific features.

The U.S. led the way with remote-sensing satellites, launching the first of its Landsat series 13 years ago. Two spacecraft are in orbit, relaying data to a dozen or so ground stations around the world.

The American Government and private companies have poured more than \$1bn into Landsat — yet it continues to operate at an annual loss of about \$15m.

While the French press ahead with plans for earth-mapping satellites, the U.S. effort to commercialise Landsat has run into serious problems.

It seems, however, inconceivable that the U.S. would permit Landsat simply to die out when the satellites wear out in 1987. For one thing, that would mean surrendering to France in a technology that the U.S. virtually invented.

Second, the demise of Landsat would have international repercussions. It would dismay the countries which have agreements with the U.S. to receive Landsat data using their own ground stations.

These nations, including Brazil, China, India, South Africa, Canada and the 11 states in the European Space Agency, have to pay the U.S. an annual fee of \$800,000 plus a nominal royalty on the data that they receive. They are then free to use the information in government projects or sell it to third parties.

These countries have themselves made substantial investments in remote-sensing through installation of receiving stations and processing equipment.

Two other big issues hover over remote sensing. The first is the narrow dividing line between military and civilian applications of the pictures from space.

More advanced civilian satellites such as Spot have resolutions approaching those of military spacecraft operated by the U.S. and the Soviet Union to check on, for instance, troop movements or missile silos.

Military authorities, the Pentagon for instance, view with distaste the notion that Third World countries and even private citizens could gain access to data that, in the normal run of events, carries a "classified" tag.

The second issue concerns intrusions of privacy on an international scale. Some countries, especially in the Third World, fear the consequences of private companies "spying" on them from space, for example to gain information about natural resources such as minerals deposits.

Dr Klaus Heiss, a maverick, Austrian-born space entrepreneur last year tried to persuade the U.S. Government to approve a plan to set up a private remote-sensing service in which data would be sold only to specified customers as opposed to being made available to anyone who wants the information.

Dr Heiss's plan was turned down, but not before he had raised the spectre of a Big Brother in space seeking out information across political boundaries. That spectre could some day re-appear, especially if the U.S. decides that the establishment of a service of this kind is the only way to turn Landsat into a venture that will pay for itself.

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## THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

BRITAIN'S independent television companies, as every marketing man knows, are currently in a spot of bother. Ad revenues are down in real terms for the sixth month in a row—a condition unknown in recent times, and no one knows why.

The slump that first surfaced last October has become a chronic anxiety for the whole industry. There are wider implications too—since TV expenditure has proved in the past a useful economic indicator, many pundits are seriously questioning whether the downturn signals a recession for industry at large.

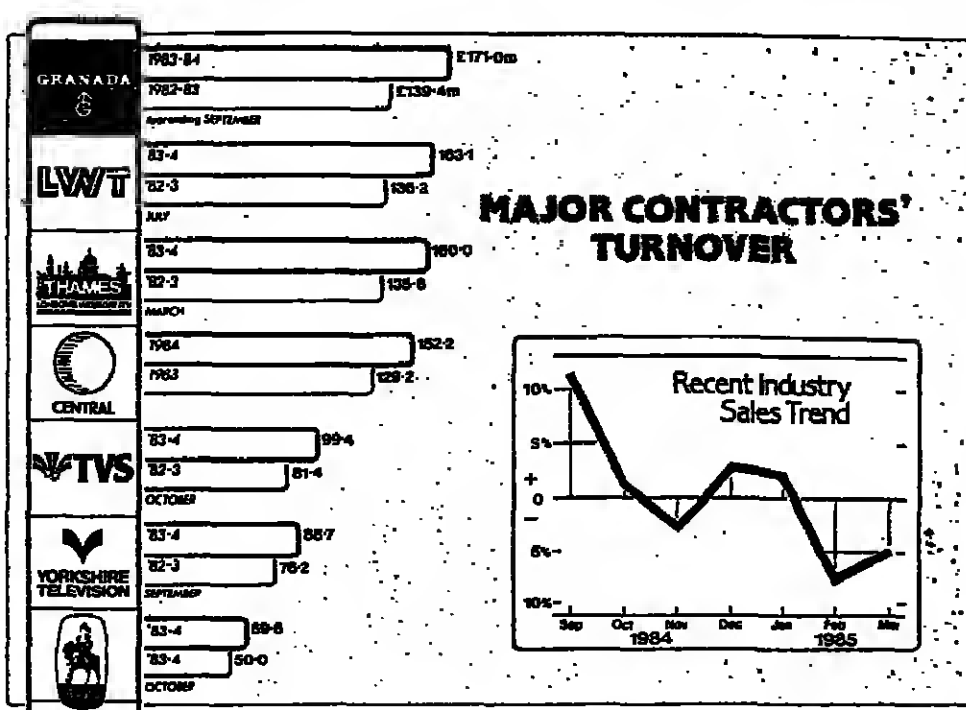
The TV contractors, though they deny it, are rattled. Well used as they have become to the inexorable rise of revenues since the early 1970s—except for the 1974 (the three day week) and 1979 (the ITV strike)—the length of time that this dip has lasted is a particular shock.

The companies are by no means in the poorhouse yet. But serious competition from cable may be only two or three years away, there is worry about the levy paid by the independent companies and the long-running debate about advertising on the BBC Channel 4 suits "obviously we're concerned, it means less subscriptions."

Agencies are not too happy either—the larger companies, heavily biased toward TV, will feel the pinch most. Of course, not everyone suffers. For advertisers, who've long bemoaned soaring production costs, airtime is cheaper than it's been in a long time. It's the first time in 10 years that TV costs have risen behind the retail price index, which comes as music to many an advertiser's ear. Meantime, rival media, especially press, magazines and below-the-line activities such as sales promotion and direct marketing, are flourishing—for the time being anyway.

So why the slump? Are advertisers disenchanted with the medium and its costs, have they eased up in response to the new audience measurement system, or have they been forced to abandon TV because of hard times in-house? And what are the contractors doing to beef up their ailing coffers? This week the March figures were released (down 5 per cent on last year) making what one contractor had earlier passed off as "a delayed spring" (with revenues soon to bounce back) look increasingly like the spring that never arrived.

Economic consultant for AGB Research, Harold Lind, believes the current slump could be the familiar trade cycle which was apparent in the 1960s and 1970s. "If so," he says, "it would be



## Why the slump in TV revenues?

Feona McEwan finds the industry has conflicting views

surprising if other media didn't start showing the effect soon." The Advertising Association takes a more optimistic line—modest current growth of about 7 per cent for the industry overall, and 2 per cent real growth for TV in 1985. "All the analysis and all we know about fundamental indicators (such as full order books, increasing markets, company profits, consumer spending) suggest the British economy is fairly sound at the moment. There's nothing to suggest a falling off of expenditure," says Mike Waterson, the AA's research director. Yet he finds the downturn curious. Traditionally, he says, Press and TV move in harmony. But now Press is taking market share from TV. What is clear is that no single factor is responsible for the slump—rather, it seems, a coincidence of several.

The most widely-listed factors include: ● The recent weakness of the pound against the dollar. "With many advertisers remitting profits in dollars they can cut their advertising if need be to

keep profit levels high," says Waterson. "Importers now account for a large chunk of UK advertising, from food to durables, and they are hit when the pound is weak." This, combined with rising interest rates, makes it hard for them to find the money to reinvest in TV. The same rationale applies to Japanese advertisers. ● The new British Audience Research Bureau (BARB) measurement system. This is said to improve the accuracy of audience measurement by up to 20 per cent; simplistically, this would mean that a programme with 80 rating points last year would be the equivalent of 100 points this year. Many suggest this equation is causing advertisers to reduce their spend.

Peter Todd, media director of Davidson Pearce says "In my experience, clients don't move advertising budgets up and down because of media costs or audiences, but because of profits."

Norman Hawkins, marketing director of Cadbury Schweppes, a heavy TV advertiser, pooh-poohs the notion of reduced

spend as a result of the new system. "While we value the new measurement system, I don't think many of us are naive enough to think we are digging into a rich golden vein of new viewers not dug before," he says, though he regards the current situation as one of welcome respite in the rise of TV costs.

● Defection of some groups of advertisers. Exactly who, is yet to be defined and many agencies are busy analysing this.

● Fragmentation. Both Channel 4 and TV am have stolen revenue from the ITV companies. "TV am now takes £11 to £20 in a good month," says Ingram, "which is almost 2 per cent of ITV figures so they're obviously taking money from ITV."

● Miners' strike. "Though this has not affected the ad industry," says Waterson, "it has affected the economy, cutting growth and profits in certain areas considerably."

Norman Hawkins notes: "The alternative media we have available to us as an advertiser is fascinating. Posters are good

value; and now that tobacco is pulling back, some prime sites are being released. The free sheets are making life interesting with some amazing offers, and commercial radio, now out of its honeymoon, is offering attractive deals. There are, too, the short term price promotions favoured in the fast moving packaged goods field." David Lamb, UK ad manager of Rowntree, has said similar.

What, then, are the TV companies doing about this? The agencies are hoping the contractors can sell themselves out of the corner and there are already signs that this is so. The ITCA corporate campaign, its second ever on such a scale, is already on our screens and in our papers. The move to reduce the cost of the 60-second commercial has taken effect in a number of areas and there is every likelihood it will soon be begun.

Individuals are already fighting hard. London Weekend's sales director, Ron Miller, yesterday launched a new industrial ratecard—aimed not at pricing away traditional press advertising—which is said by media buyers to be attractive since it offers a nearly 50 per cent discount.

This comes hard on the heels of two other LWT initiatives. Four on Four rate card launched about six weeks ago by LWT, Central, Anglia and TVS, known as the "Production Subvention Rate Card" is aimed at lapsed and new advertisers who have been off the screen for at least two years. Unusually, these prices are fixed, until 1987. Last week LWT introduced its Direct Target Marketing rate card.

Gramplan is developing a clutch of five or six specialist ratecards for the business-to-business advertiser including the job market, agriculture, oil market, and entertainment. "They are roughly the same as national prices," says director Neil Welling, "but are specifically targeted at appropriate programmes."

Chairman of the television companies marketing committee, John Fox of TVS, voices an opinion held by many industry observers: "I think the downturn has bottomed out. Factors which many believe have contributed to the situation, such as the state of the pound, the miners' strike, interest rates and (as they become more familiar) Barb ratings are now going in the reverse direction. We should see a slow but sure picking up of revenues to reach about £950m by the end of the year." (Last year the total was £911m.)

Advertisers, he says, are currently getting value for money with much more air time and higher audiences.

## Selling through design

Ian Hamilton Fazey on a novel studio developed by Becker, the Swedish industrial paint maker, to promote its products

WILHELM BECKER, the Swedish company that has been attacking European industrial paint markets with increasing vigour in the last ten years, has decided it is not in the paint business.

But that is not good news for its multinational competitors. Paint is what Becker makes and will continue to do so: it is just not selling the stuff any more.

According to Goran Wikstrom, president of Becker's industrial coatings division: "Surfaces are what you see and touch. Product quality begins with a surface that is looked at or handled. Getting the surface right through colour and texture is critical to good industrial design. That is what we're selling."

His general manager, Sten Skoog, says: "We believe that customers should use paint to sell more products and give them a higher value. The surface disguises the true material underneath and can therefore be much more important in determining what people perceive as quality."

For instance, plastic can be coated with a special paint that makes it look like, say, metal.

Thus, cars with metallic paint sell more easily on their looks than their conventional counterparts. Choice of colours can be crucial; Becker experts say that light blue hues sell better in desert countries than bright red ones because there is less "visual noise" against the general colour of the background.

But such considerations have not guided many manufacturers in the past. Wikstrom says: "A lot of companies don't even buy in professional advice. They take things home to their wives and say, 'What colour do you think we should paint this?'

or they paint them orange because that is the colour of the company trucks. "We felt that if we could find some way to combine colour and design we might be able to help companies produce something more valuable, at higher quality, and with greater sales potential, but at about the same price."

To back this up, Becker has set up a design studio and employed the most up-to-date findings in applied psychology to develop an idea called "ICD"—industrial colour design. Leading Swedish companies with their own styling studios,

such as Volvo, Electrolux and Saab, have helped the development and subsequently used it with enthusiasm.

The experiment has been going a year but Becker intends to wait another 12 months before deciding its next step. Logic suggests "extension throughout Europe but that will require considerable commitment of resources so it must be able to guarantee a good return."

Wikstrom says: "We know it works here as a marketing approach. It has attracted our customers and strengthened our position with existing ones. People are coming in to develop new products. But we think we should wait a year to evaluate it fully before trying to extend."

Becker has already established itself throughout Europe, expanding through acquisition. Well entrenched in the Nordic market—where it now has a 44 per cent share of industrial paint sales—it felt that sitting on its laurels would invite eventual takeover by a multinational. So it set out to become a multinational itself, buying high technology paint companies in Britain, France and West Germany.

## Prospects

Its most recent British acquisition—this year—was the Liverpool-based Goodlass Wall, a purchase that put Becker into about sixth place by sales in both the UK and Europe as a whole. Since the league table includes ICI, BASF, Hoechst, PPG and International, the Swedish company's advance in more than doubling its turnover since 1979—sales were SKr 1,575m in 1983 and SKr 3,499m (£84m) in the first half of last year—is no splash in the can.

Becker's management, headed by the 49-year-old group president, Hans Myer, believes that its marketing stance has been critical to its emergence and prospects—which are in turn critical in keeping happy the Swedish banks that have lent to finance expansion. Crucial to that stance has been a refusal to fight for share by price-cutting.

Wikstrom says: "You have to work at it if you want to stay market leader. We decided that price fights would not fit with our standing as a high tech company. But assistance with design certainly does."

There is, however, nothing new about the basic theory behind the I.C.D. Studio system. It uses the "golden section"—a principle fundamental to art, architecture and design since the Ancient Greek—which enables proportions of length or area to be calculated so that they are at their most harmonious and pleasing.

Under "golden section" principles, there is always an optimum division of any field of vision into dominant, sub-dominant, median and accented areas. Becker's system has only six basic dominant colours, five sub-dominant, six accents and five medians, but each comes in five shades of brightness.

By laying them out on a grid—as though on a guitar fretboard—harmonious "colour chords" can be created. The system, which is copyrighted, works for choosing entire colour schemes or single colours. Paint a tractor bright red, for example, and it could well become a jarring "accent" in the countryside. Choose another colour and it may become more pleasing to buy because it harmonises more closely with the "dominant" or "sub-dominant" shades of nature.

The quality of light will also affect colour choice and the studio simulates a full range of different daylight and artificial spectra. Typewriters or computer keyboards can look cold, cheerless or even intimidating in some lights if painted in particular colours. Finding the right mixture of colours, with the right "accents" for function keys, is very important.

And do all car dashboards—mostly now moulded plastic with a painted, textured surface—have to be black? Modern technology enables a colour to be chosen that will harmonise perfectly with the whole interior design, with warning instrument lights providing the "accents" as an aid to aesthetics as well as safety.

Wikstrom says that the design studio has had another important effect: the people using it to buy paint are now marketing directors and even chief executives, rather than production or purchasing managers, which was almost invariably the case in the past. The whole image of Becker's industrial paints is therefore changing in Sweden.

## Flying in style made in Alitalia



## "Britain's most cost-efficient national building society for the third year running"



Mr. Ralph C. Stow, President and Chairman, Cheltenham & Gloucester Building Society.

"The Society's impressive performance in 1984 demonstrates the soundness of its operating policies."

As the most cost-efficient national building society, C&G is able to offer more attractive savings schemes and more competitive loan facilities to a growing number of members."

The 134th Annual General Meeting of the Cheltenham & Gloucester Building Society was held in the Society's Chief Office on Wednesday 17 April 1985. In his report on 1984's results, the President and Chairman, Mr. Ralph C. Stow, CBE, drew attention to the following:

**Most Cost-Efficient National Building Society**  
Higher productivity and effective management reduced operating costs (including depreciation) per £100 of mean total assets from 78p in 1983 to just 71p at the end of 1984.

**Increased Financial Strength**  
A surplus of £23 million in 1984 increased C&G's reserves by 29% to £103 million.

**Assets up to £2,639 million**  
At the end of 1984, total assets had increased by 29%. The Society now has a network of over 400 branches and agencies.

**Substantial Help for Homebuyers**  
In 1984 C&G made over 44,000 loans totalling £730 million, 22% more than in 1983. 55% of loans were made to first time buyers, 14% were for the purchase of new houses. £39 million was lent to existing borrowing members for home improvements.

**Investments**  
Receipts from investors totalled £1,892 million. Withdrawals totalled £1,343 million, giving net receipts of £549 million.

Over 148,000 new investment accounts were opened in 1984, bringing the total number of investors to over 657,000.

The Cheltenham Gold Account continues to provide a combination of high interest without strings, which is unmatched by any other national building society.

**C&G Cheltenham & Gloucester Building Society**

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# What sort of TV do you get with more channels?



Look at American TV.

Now, we're not saying that their programmes are all bad.

But they definitely lack variety.

Which, if you think about it, is rather strange.

How come a country with something like 840 TV stations offers less variety than a country with only 4...?

## America's contribution to world culture.

Because, quite simply, the basis of American commercial TV is pure commercialism.

So New York's 8 commercial channels are all fighting it out to be Top Cat in the ratings.

Which leads to the use of copy-cat techniques.

And programme quality suffers too – because there's less money in each channel's kitty.

Which means that, for advertisers, there is poorer quality, poorer choice, and *less* cost-efficiency than here.

The bottom line being that American advertisers get what they would call a bum deal.

## The Magna Carta was signed in 1954.

But British TV is different. Because of the IBA charter of 1954. Its purpose was to ensure that independent television could function independently of Government – by deriving sufficient income from advertising.

Uniquely, it also ensured that viewers receive a *range* of

programming – entertainment, education and information.

However, it's difficult to quantify programme quality.

One man's Minder is another man's Poseidon Adventure.

Diana Rigg playing Regan in King Lear may seem less attractive to you than John Thaw playing Regan in The Sweeney.

But it's interesting that our programmes are usually regarded as the best in the world.

## Win some, win some more.

As proved by the international awards for TV excellence – the Emmies of New York and the Palmares of Montreux.

In the last 3 years, ITV has won 7 Emmies.

Which is rather like a fleet of "Chariots of Fire" coming off a production line.

We've also won 3 Palmares at Montreux – one Silver Rose, and two Gold Roses. But, if you put all 840 American TV stations together, they only managed 3 between them.

This happens because *we* don't have to compete against other stations for a slice of the advertising revenue.

And the high quality of programming isn't just a question of Art for Melvyn Bragg's sake. Because what we really pride ourselves on is our *variety*.

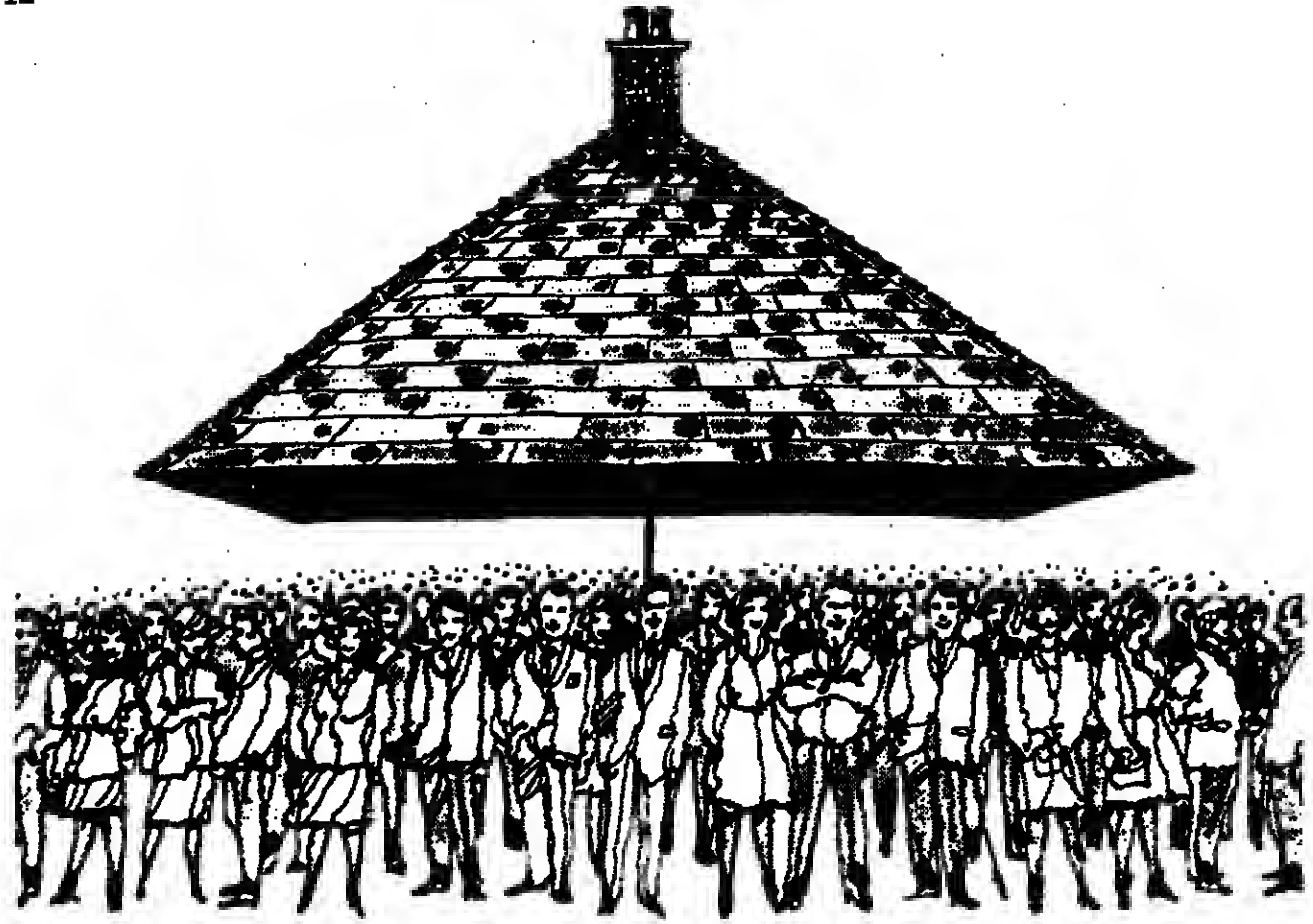
So, although our clients may not wish to look on themselves as patrons of the arts....

At least they're not patronising their audience.

ITV AND CHANNEL 4 THE BEST VALUE TV IN THE WORLD



UK NEWS



# 1984-TWO MILLION NEW INVESTMENT ACCOUNTS

- Growth of 18.7% pushing total assets up close to £17bn
- Reserves up £86m at £618m
- 2 million new investment accounts opened
- Lending 21% up even on the record year in 1983
- Net receipts from investors of £1.5bn
- Liquidity at a level which will provide healthy support for 1985 lending activity
- More than £1 bn of all advances was on pre-1919 property
- Further advances were up 29% at £317m

Among the points made by the Chairman, Sir Campbell Adamson, at the Abbey National Annual General Meeting held on the 17th April, 1985 were:

"Overall, a year of success in attracting investments and a major increase in mortgage lending. All this was achieved against an increasingly volatile interest rate background in the latter part of the year."

"Government moves towards deregulation and fiscal neutrality are also becoming increasingly felt. Recent measures have served to remove many of the differences between banks and building society operations in the personal financial sector, with the result that the intense competition will increase."

"The Green Paper provides a framework for Abbey National to play a greater role in the developing financial scene. But, and I cannot emphasise this too forcefully, our prime aim is to ensure that the needs of our nine million investment account holders and one million borrowers are fully met and additional services will be added with this in mind."

**Current Interest Rates**  
"We are committed to ensuring that our investing members receive as good a deal as with any other financial institution. Because of the general rise in competitive rates recently we have increased our interest rates twice in 1985. Real investment returns from

Abbey National are the best ever. We regret that the circumstances have inevitably led to higher mortgage rates."

**Investment Limits Removed**  
"Previous investment limits imposed by the Revenue have been removed. The Society will now accept any amount. In addition to the personal account range, a money market account is available."

**Service**  
"In June, we will introduce the first in a new network of automated teller machines which will provide additional free facilities, day and night. By the end of 1985 we expect to have more than 200 units throughout the country. Not only in our branches but also in other retail outlets. Abbey National is part of a major consortium which will soon have a network of 1,000 machines throughout the country, each of which will be available to our members."

**Housing and Mortgage Finance**  
"Almost £4 bn was advanced to 180,000 borrowers, half of whom were buying for the first time. 93,000 borrowers received further advances to improve their homes. Management and financial resources have been directed into urban renewal and by the end of 1984, over 1,000 housing units had been

completed or were under construction by Abbey Housing Association."

"The adoption, by the EEC commission of the draft directive aimed at liberalising mortgage credit, brings us closer to a position whereby we might operate in other European countries as we have been planning to do since the opening of our Brussels office in 1979."

**The Green Paper**  
"While the final shape of the legislation is yet to be decided upon, some of these permissible activities indicate a level of risk somewhat higher than has previously been the case. Involvement in them will depend on the strength of our financial reserves. This will place a premium on establishing realistic operating margins and containing all costs."

"Our firm belief is that legislation should recognise the greater capabilities and interests of the major societies by treating them less restrictively than the smaller ones. What we want is the freedom to provide the wide range of personal financial services we think you, our members, have a right to expect. What we shall not lose sight of is that our greatest strength is our membership base and our main task must always be to preserve it."

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And make your printing motto... all's well that ends well!

**FUJITSU**

## Nissan supplier to import technology

By Kenneth Gooding, Motor Industry Correspondent

NP ECKO, a Courtaulds subsidiary, is poised to become the first major supplier to Nissan's new car production company in Britain to use technology imported from Japan.

ECKO will buy tooling from Kanto Seiki, a Nissan associate company, to produce right-hand drive versions of the instrument panel for the car to be built at Washington, Tyne and Wear, in north east England.

Mr Peter Selkirk, ECKO's managing director, said yesterday, "This is a very important deal for us. We have a relatively small number of major customers (including Austin Rover, Ford and Vauxhall) and to add another to the list and to be working with Nissan and its principal supplier in Japan is quite a feather in our cap."

ECKO will initially supply 24,000 instrument panels a year to the Washington plant which comes on stream next year although Mr Selkirk admitted that would not have much impact on jobs - the company employs 330 at Southend on the east coast.

If Nissan moves to a second stage and produces 100,000 cars a year by 1990, it would, he said, make a considerable difference. "We hope to supply a greater range of parts as a key supplier and that would involve a major expansion and many more jobs," Mr Selkirk added.

There has been no major transfer of technology in the first deal - in essence Kanto Seiki is selling design and development along with tooling on a one-off basis. But Mr Selkirk hoped that as the relationship developed there would be other avenues for the transfer of technology.

Mr Ian Gibson, director purchasing and production control for Nissan's Washington project, yesterday said he expected to order the instrument panels from ECKO shortly.

"It is not the only major plastic moulding we are talking to NP ECKO about, and I would be surprised if we did not do more big injection mouldings with them," he added.

Nissan had decided to use European production of the instrument panel rather than importing it because "it is a highly visible, high-quality product which might suffer if sent long distances. We also need local control to make sure that the panel matches the body and other locally produced components."

Mr Gibson suggested that Nissan or its associates would be involved in fewer than 10 deals of the type between Kanto Seiki and ECKO. "Mostly, we will buy from traditional suppliers in Europe and buy normal, traditional components."

## Recession forces 1m migrant workers to leave West Europe

By RICHARD EVANS

MORE THAN 1m migrant workers have been forced to leave Western Europe because of the economic recession over the past few years and return to their countries of origin.

This exodus, together with millions of refugees from hunger, war and natural disaster, has led to a problem of "monumental proportions" in the Third World, according to a report on migrant workers in Europe, published today by the Centre for Contemporary Studies.

Attempts to tackle the problem have, so far, been piecemeal and ineffective, declares the report's author, Dr Richard Plender, Director of the Centre of European Law at King's College, London, and a former adviser to the United Nations High Commissioner for Refugees.

Individual countries were content merely to redirect the flow of immigration from their own territory to that of a neighbouring country.

Dr Plender calls for multilateral action to deal with the growing problems of migrant workers and of refugees. "It is increasingly clear that the problems created by international migration demand an international solution. Such a solution is particularly feasible among the industrialised countries of Western Europe," he believes.

The employment of foreign workers in Western Europe reached its peak around 1974, when about 6m migrants were employed, bringing the total foreign population to 15m. Today, probably fewer than 5m migrant workers are employed.

The curtailment of foreign labour recruitment has been particularly marked in some of the countries that attracted the largest numbers of migrant workers, including West Germany, Switzerland, France and the UK.

West Germany is a particularly dramatic example. The number of

foreign workers registered in 1973 was more than 2.6m and by 1977 this had fallen to 1.8m. During those four years the total was reduced by about 221,000 through naturalisation, deaths and unregistered unemployment, and over the same period 470,000 foreign workers entered the country.

It appears, therefore, that about 910,000 migrant workers left the country, representing a 46 per cent decline in foreign labour force.

UK statistics do not enable an accurate appraisal to be made of the foreign-born proportion of the workforce. But Dr Plender states: "Nevertheless, it seems that there is a decline in the proportion of the workforce whose members consider themselves to be 'non-white' and a decline in the number of aliens registered with the police, and this would be consistent with a trend towards return migration in the UK as in other parts of Western Europe."

One proposal backed by Dr Plender is that migrant workers who have been engaged for a specific period (such as five years) in the territory of a Western European state should be entitled to remain and be treated on the same basis as nationals.

"The application of a common policy to the admission and treatment of labour from outside the Community is no less vital for the establishment of a truly common market than the application of a common external tariff for imported goods, coupled with common rules for the free movement of goods between member states," he declares.

*Migrant Workers in Western Europe. Centre for Contemporary Studies, Imperial House, 202 New North Road, London N1 7BL.*

## Oil output fall checks industrial production

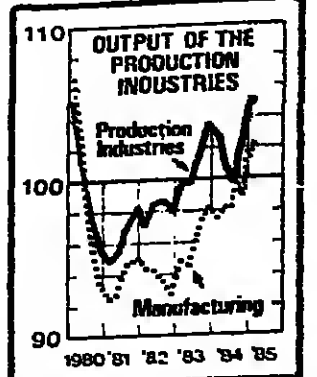
By Philip Stephens

THE TREND of manufacturing output showed signs of picking up in February, but a drop in North Sea oil production depressed overall industrial output.

The Central Statistical Office (CSO) said yesterday manufacturing output rose by 0.9 per cent in February, with particularly strong growth seen in the electrical engineering, chemicals and motor manufacturing sectors. The metals and minerals industries, however, remained depressed.

In the three months to February, which the office regards as a better guide to the underlying trend, output increased by 0.8 per cent compared with the previous three-month period.

That rise followed a period of stagnant production after strong



growth in the earlier months of 1984.

The latest two months' figures for manufacturing include what the CSO terms a temporary bias correction which boosts the recorded figure in February by 1 per cent and in January by 0.5 per cent.

Government statisticians say that this merely takes account of the usual upward revision in the figures and is removed from the last months' of 1984, however, has led to a downward revision of output for that period.

The CSO said overall industrial production in February fell by 0.2 per cent from the previous month, but on a three-month comparison was still growing by about 1.7 per cent.

The dip in February was due entirely to a fall in North Sea oil output, which slipped back from the very high level of January.

Officials said the miners' strike had reduced the overall level of output by about 3 1/2 per cent in the six months to February, but the effect on manufacturing was minimal.

The index of industrial production stood at 105.9 in February (1980=100) against 105.2, the previous month.

## Software-copying an epidemic, court told

By RAYMOND HUGHES, LAW COURTS CORRESPONDENT

PIRATING and counterfeiting of computer software was reaching epidemic proportions and causing widespread concern in the industry, the High Court in London was told yesterday.

Mr Thomas Beazley said on behalf of five companies whose computer software products had been copied that efforts to remedy the position had not been helped by the lack of copyright protection. Record and video products were protected, however.

Four people - two of them aged under 18 - admitted making unauthorised copies of the companies' tapes and consented to permanent

injunctions being made against them in an action brought by Arctic Computing, Thorn EMI Information Technology, A & F Software, Aniro Software and Mirror Group Newspapers.

Mr Beazley said the companies' action had been supported by other manufacturers - Commodore Business Machines (UK), Quicksilver, Mastertronic Software Projects and Visions Software Factory - and generated considerable interest in the industry as a whole.

Settlement of the action came on the eve of the third reading in parliament of the Copyright (Computer Software) Amendment

## Investment houses feel talent squeeze

INVESTMENT houses in London are looking anxiously over their shoulders in fear that their best fund managers may be lured to rival groups.

This attack of nerves has been brought on by the shortage of experienced managers in Far Eastern and Japanese markets, and also in the European market.

The shortage is highlighted by recent appointments at Henderson Administration, one of the leading independent investment management groups. It has just attracted prominent fund managers into the new team running its Japanese and Far Eastern funds.

Other managers of Japanese funds are also on the move, and they are commanding sharply increased salaries, as well as profit-sharing incentives.

Henderson's Japanese and Far

George Graham looks at the rivalry created by the shortage of experienced fund managers and the inducements being offered to seasoned personnel to stay on or move job.

Eastern funds used to be run by Henderson Baring, its joint venture with Baring Brothers merchant bank. Barings bought out Henderson's share this year, and the Henderson funds, worth around £400m, are being brought under internal management.

To run the Henderson funds has recruited Mr Iain Clark, who has been managing about £300m of Far Eastern and Japanese investments at Schroders, including the Schroder Tokyo unit trust.

He will be joined by Miss Jill Smith, who now runs the Framlington Japan and General unit trust.

She moved to Framlington less than 18 months ago from Prolific Unit Trusts.

Also moving is Mr Scott McGlashan, who is leaving Hill Samuel to set up a new Far East Growth fund for the Perpetual group.

One large stockbroking firm is looking - so far in vain - for a fund manager to run a new Japanese unit trust.

Expertise in the European market is, if anything, even scarcer, but the funds investing in the sector are smaller and fewer.

Investment companies are hav-

ing to raise their salaries and incentives to ensure that their fund managers are not headhunted.

"Anyone with any profile in the unit trust industry can expect to be contacted by management consultants about four times a year," said Mr Roger Cornick of Perpetual. His group is prepared to pay "more or less what it takes" to attract a good fund manager, he says.

Successful fund managers with five or more years of experience can command salaries between £35,000 and £75,000, with £40,000 to £50,000 typical for a seasoned manager.

Additional inducements such as profit-sharing schemes and share options are often needed to tempt fund managers into moving - particularly those with Far Eastern expertise.

## Plan to help industry exploit biotechnology

By DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN plans to mount a biotechnology programme to help industry to exploit long-term opportunities in agriculture and food science.

Government officials say that the venture, which will seek to involve Britain's leading companies, particularly those in the food sector, may be launched later this year.

The plan was disclosed by Mr Geoffrey Pattie, Industry Minister responsible for biotechnology, at a conference in London.

It is similar to the Alvey programme, which is a £350m, five-year joint research venture involving industry, universities and government in the advanced electronics of artificial intelligence. The Department of Trade and Industry is providing £200m.

Five UK food and agro-chemical groups - Unilever, ICI, Shell, RHM and Cadbury-Schweppes - have been involved at chairman level in talks, called by Mr Pattie, on the biotechnology venture.

has a big stake in the biotechnology company.

The Department of Trade and Industry is talking of a joint research programme spending £5m-£10m a year over five years.

The object will be to fill in gaps in basic biological science that are preventing the food and agro-chemical industries from exploiting new biotechnologies, such as genetic engineering.

Participating companies would create partnerships with universities, polytechnics and research council laboratories.

Study groups set up to investigate three areas - food science, plant science and animal science - are due to report to the Government in June.

BASE LENDING RATES	
A.B.N. Bank	13 1/2%
Allied Irish Bank	13 1/2%
Heory Ansbacher	13 1/2%
Amro Bank	13 1/2%
Associates Cap. Corp.	14 1/2%
Banco de Bilbao	13 1/2%
Bank Hapoalim	13 1/2%
BCCI	13 1/2%
Bank of Ireland	13 1/2%
Bank of Cyprus	13 1/2%
Bank of India	13 1/2%
Bank of Scotland	13 1/2%
Banque Belge Ltd.	13 1/2%
Barclays Bank	13 1/2%
Beneficial Trust Ltd.	13 1/2%
Brit. Bank of Mid East	13 1/2%
Brown Shipley	13 1/2%
CL Bank Nederland	13 1/2%
Canada Permanent Trust	13 1/2%
Cayzer Ltd.	13 1/2%
Cedar Holdings	13 1/2%
Charterhouse Japhet	13 1/2%
Choulatons	13 1/2%
Citibank NA	13 1/2%
Citibank Savings	13 1/2%
Clydesdale Bank	13 1/2%
G. E. Coates & Co. Ltd.	13 1/2%
Comm. Bk. N. East	13 1/2%
Consolidated Credits	13 1/2%
Co-operative Bank	13 1/2%
The Cyprus Popular Bk.	13 1/2%
Dunbar & Co. Ltd.	13 1/2%
Duncan Lawrie	13 1/2%
E. T. Trust	13 1/2%
Exeter Trust Ltd.	13 1/2%
First Nat. Flo. Corp.	13 1/2%
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Robert Fleming & Co.	13 1/2%
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Grindlays Bank	13 1/2%
Guinness Mahon	13 1/2%
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Heritable & Gen. Trust	13 1/2%
Hill Samuel	13 1/2%
C. Hoare & Co.	13 1/2%
Hongkong & Shanghai	13 1/2%
Johnson Matthey Bkrs.	13 1/2%
Knawley & Co. Ltd.	13 1/2%
Lloyds Bank	13 1/2%
Edward Manson & Co.	13 1/2%
Mechraj & Sons Ltd.	13 1/2%
Midland Bank	13 1/2%
Morgan Grenfell	13 1/2%
MountCredit Corp. Ltd.	13 1/2%
National Bk. of Kuwait	13 1/2%
National Girobank	13 1/2%
National Westminster	13 1/2%
Northern Bank Ltd.	13 1/2%
Norwich Gen. Trust	13 1/2%
People's Trust	13 1/2%
Provincial Trust Ltd.	13 1/2%
R. Raphael & Sons	13 1/2%
S. S. Refson	13 1/2%
Roxburgh & Co.	13 1/2%
Royal Bank of Scotland	13 1/2%
Royal Trust Co. Canada	13 1/2%
J. Henry Schroder Wagg	13 1/2%
Standard Chartered	13 1/2%
TCB	13 1/2%
Trustee Savings Bank	13 1/2%
United Bank of Kuwait	13 1/2%
United Miral Bank	13 1/2%
Westpac Banking Corp.	13 1/2%
Whiteaway Laidlaw	13 1/2%
Williams & Glyn's	13 1/2%
Winttrust Secs. Ltd.	13 1/2%
Yorkshire Bank	13 1/2%
Members of the Accepting Houses Committee:	
7-day deposits 10%, 1 month 10 1/2%, 3 months 11%, 6 months 11 1/2%, 12 months 12%	
10-75% Ton ten-£2,500 plus 3 months notice £12,500 at call 40%	
Call deposits £1,000 and over 10 1/2%	
21-day deposits over £1,000 10 1/2%	
Mortgage base rate.	
* See Provincial Trust Ltd.	
5 Demand deposits 10 1/2%	



## Job increases last year top 300,000

BY PHILIP STEPHENS

THE NUMBER of people in work in Britain increased by 320,000 in the last three months of 1984, bringing the total increase in jobs in the economy to 343,000 over the year.

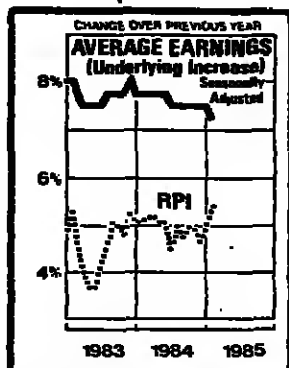
Official figures released yesterday also showed that the growth rate of average earnings had slowed to its lowest level since the current series of statistics was introduced in 1979. Income of those in work, however, is still keeping well ahead of inflation.

The developments were welcomed by the Government, but Mr Tom King, the Secretary of State for Employment, said the pay increases were still too high in comparison with those of Britain's international competitors.

The latest figures show the underlying level of average earnings, which includes bonuses, payments and direct wage increases, rose by 7.4 per cent in the year to February, while inflation was just over 5 per cent.

This compares with a growth rate in earnings of 7.1 per cent in January and 7.4 per cent in the early months of 1984. Government officials indicated that the last time nominal earnings were growing at or below that rate was for a brief period in 1977 and before that in 1967. But real earnings - income minus inflation - remain historically high.

Mr King made clear that the Government regarded further downward moves as essential. "The message is clear. Unless we can keep to a more reasonable level of increase in earnings, our unit labour costs will continue to rise and we shall



become steadily less competitive," he said.

The Department of Employment said unit labour costs rose by an average 3.9 per cent last quarter, 1984, compared with a rise of only 1 per cent in the U.S.

The employment figures show that last year, as in 1983, most of the new jobs created were in the service industries and in self-employment. Other sectors, including manufacturing, registered losses of 100,000 jobs.

The main growth areas were retailing and finance, concentrated particularly in the south-east and south-west of England, East Anglia and Scotland.

A high proportion of the new jobs, however, were part-time and taken by women, which, with the natural growth in the labour force, explains why the official unemployment total continued to rise last year, despite the increase in the number of people in work.

## Pit union threatens ban on overtime

By Philip Bassett, Labour Correspondent

THE GOVERNMENT last night faced the threat of renewed disruption in the coal industry when leaders of Nacods, the pit supervisors' union, recommended a ballot of its membership on an overtime ban. This could hit coal output by as much as one third.

The ballot will be held on May 10 over what the union claims are clear breaches in an agreement it has with the National Coal Board over pit closures.

The Government has described the agreement, reached last October, as sacrosanct. It was reached to help to avert a threatened strike by Nacods members during the year-long coal strike. When Nacods members threatened to strike last year the move won approval in a ballot by 82 per cent.

Mr Peter McNulty, Nacods general secretary, forecast that the overtime ban would have a "very important and significant effect" if it went ahead. Mr Eddie Laing, secretary of the union's moderate Nottinghamshire area, thought its effect would be "catastrophic".

A ban on overtime would immediately hit weekend repair work, Nacods' presence at the pits is often required by law on safety grounds.

If the ban goes ahead, it would have a cumulative effect on repair work, pushing it into normal weekday working days, and cutting down production time.

The union wants the board to withdraw a management document issued on March 27 which it says provides for the closure of collieries outside the terms of its agreement.

The NCB denies the union's interpretation of its document, and said that the board had not taken a decision to close beds.

National Union of Mine-workers members at the pit have already opted for redundancy.

Mr Glyn Jones, secretary of the Nacods South Wales section, said the management document could mean the imminent closure of eight pits in his area alone. The board was using damage done to pits in the miners' strike as a way round its agreement with Nacods.

Mr Laing said his members felt that they had been "duped" by the board.

Talks are likely to take place between the board and the union on the threatened ban, but in addition Mr Jim O'Connor, the Scottish Nacods leader, said the union was seeking a meeting with Mrs Margaret Thatcher, the Prime Minister, to inform her of the board's actions.

## Union official says he changed figures in leadership ballot

BY OUR LABOUR CORRESPONDENT

FRESH ALLEGATIONS of malpractice in last year's election for the general secretaryship of Britain's largest union, the Transport and General Workers' (TGWU) were made yesterday by one of the election's scrutineers.

The new claims are certain to be discussed at a meeting in London today between Mr Moss Evans, the TGWU's outgoing general secretary, and Mr George Wright, the Wales regional secretary who narrowly lost the election last year to Mr Ron Todd.

Mr Wright will present a dossier of evidence to support his call for a new ballot, based on details of previous allegations of ballot-rigging surrounding the disputed election.

Considerable credibility is being attached in the union to the new allegations made by a recently-retired convenor of a Kent pharmaceuticals company, Mr Bert Anstice, because of his standing in the TGWU.

A long-time branch secretary, and a member for seven years of the committee governing the union's largest region, No 1, covering London and the south-east, Mr Anstice acted as a scrutineer at the regional count in the election last June.

Mr Anstice said that he had changed branch voting figures on the instructions of regional officials, and that a number of other scrutineers had acted similarly.

Mr Anstice said last night that he "could not judge" whether the practices which form the substance of his complaint were carried out by design or through mismanagement, but Mr Evans described the allegations as "outrageous".

These new charges will further increase the pressure for an inquiry into the election, or a re-run of the ballot. Mr Tom King, Employment Secretary, said that the dispute about the TGWU election reinforced how right the Government was to introduce its 1984 Trade Union Act on unions' internal practices.

He said that from October 1, when provisions in the Act on union executive elections come into force, "the sort of arrangements that are now the subject of the TGWU complaints will not be allowed."

Mr Anstice said he was far from satisfied at the way the count was conducted. His main allegation, denied by the union, concerns the method of the count.

Returns of the individual ballot votes, collected at branches were sent to the region on pink forms. A cross-check system on white forms, was set up for administrative purposes.

Mr Anstice alleges that he and the other scrutineers were told by the region's leadership that if there were any discrepancies in the voting figures between the pink and the white papers to adjust the pink papers - the branch forms - to bring them into line with the white.

Mr Anstice said he queried the instructions, but was told that this was common practice in the region. He admitted in television interviews last night that he personally adjusted about six pink returns, and says that since there were about 24 people acting in the same capacity, with the same instructions, about 70-80 changes could have been made in total.

## Syndicate warned on loss provisions

EXECUTIVES of an underwriting agency owned by Minet Holdings, the insurance broker, yesterday warned 400 Lloyd's underwriting members that "substantial provisions" were necessary for losses they faced from their investment in Lloyd's, writes John Moore, City Correspondent.

A letter has been sent to the underwriting members from the Richard Beckett Underwriting Agency, the Minet agency company that looks after their affairs.

The agency moved to curb rumours that have been circulating in the Lloyd's market that the losses members face might be as high as £100m. On the Stock Exchange yesterday the share price of Minet fell 24p to 250p as news of the losses emerged.

The 400 members are grouped in a syndicate - number 918/940/157. In the course of trading carried out on their behalf at Lloyd's by the agency's underwriters, the members face losses arising from U.S. casualty insurance business.

Members have been told by the agency that a preliminary annual review of the syndicate's results "indicate that further substantial provisions by members of these syndicates are likely to be necessary."

The agency says: "We are unable at present to form any view of the 1983 and 1984 (underwriting) years." It adds that it cannot form any view of the possible impact the losses might have on another syndicate under its management, number 618.

Accountants Arthur Andersen are engaged in an exhaustive investigation of the syndicate's affairs in an effort to uncover the full extent of the underwriting losses.

CHANGES in taxation for UK farmers led to a rush in new tractor purchases in the first quarter of this year. Registrations between January and March were 21 per cent higher at 7,476 units while in March the figure was 50 per cent higher at 3,504 units.

New tax rules reduced first-year capital allowances from 75 per cent to 50 per cent at the beginning of April. As a result, the Agricultural Engineers Association says that the seasonal buying pattern has been significantly distorted. For the year as a whole, however, the association expects sales of tractors to be some 5 per cent lower at around 24,000 units.

KIO TINTO-ZINC has found gas at Kirkby Smeaton in Yorkshire. Other companies involved in the discovery are Trafalgar House, Elf, Taylor Woodrow and James Finlay. The find is considered unlikely to be commercially exploitable, but is seen as significant in proving the existence of new areas of hydrocarbon potential in mainland Britain.

BRITANNIA AIRWAYS, the biggest UK independent holiday airline, is cutting its staff by 350, or about 13 per cent, this summer because of the drop in demand for package holidays. The company, owned by the International Thomson Organisation, is also reducing its Boeing 737 fleet from 27 to 22.

BRITISH Technology Group (formerly the National Research Development Corporation) has about £20m cash and is planning to invest about £15m a year over the next five years in financing the development and exploitation of new technology. Mr Steven Dolland, marketing director of BTG, said in London.

THE CENTRAL Electricity Generating Board (CEGB) does not share the French electricity industry's enthusiasm about increasing the power lines across the Channel between Britain and France after a year's expected completion of a 2,000MW exchange system.

BANK union leaders are expected to order a ballot on industrial action in an attempt to raise a 5.5 per cent pay offer to staffs. A staff union at Barclays Bank, not affiliated to the Trades Union Congress, said it would ban overtime from May 1 in the absence of an improved offer.

## Star wars unstoppable, Kinnock tells Socialists

BY MARGARET VAN HATTEM

PRESIDENT RONALD REAGAN'S star wars Strategic Defence Initiative will gather an unstoppable momentum, moving inevitably from research to practical tests, Mr Neil Kinnock, Labour Party leader, warned yesterday.

Speaking at the Socialist International conference in Brussels, he said only a fool or a liar could argue that since any further steps would breach the 1972 ballistic missiles treaty, star wars would stop at research.

Nothing should persuade us that people and powers who have been laudable towards the first stage of star wars development will suddenly become lions when President Reagan or anyone else decides that they have to make and test a weapon in order to see if all the research was worthwhile," he said.

Mr Kinnock said the star wars strategy was undermining the Nato alliance. Views expressed by Conservatives such as Sir Geoffrey Howe and Mr Edward Heath in Britain, by Herr Hans-Dietrich Genscher in West Germany and by members of the U.S. Congress illustrated the profound divisions.

"It is a preposterous waste of funds, advanced technology and scientific ability," he continued. "It can become a source of a false sense of security based on the mad idea that super powers can blow each other's weapons to hell and somehow leave the world and its atmosphere, its environment and its people, unharmed."

The concept of an invulnerable nuclear umbrella was a fantasy, he said.

## British Rail may press for rail strike damages

BY OUR LABOUR STAFF

BRITISH RAIL is collecting evidence on the cost of lost business from yesterday's 24-hour Scottish rail strike with a view to seeking damages from the National Union of Railwaymen (NUR).

The stoppage was called in protest at plans to cut 1,200 jobs at the rail engineering workshops in Glasgow.

The NUR fears that the redundancies will lead to closure of the workshops and the loss of another 500 jobs, as BR pursues its policy of cost-cutting by the manufacture of locomotives and rolling stock.

BR said it was also still assessing damages resulting from the strike on January 17 which affected services in South Yorkshire and the East Midlands. It was called in support of BR employees who refused to handle coal trains during the miners' strike.

Courts could grant damages under the 1982 Employment Act, based on the size of the union concession, of up to £50,000 against the NUR and £30,000 against the train drivers' union, Aslef.

Yesterday's action involved 12,000 Scottish NUR members. In addition, Scottish train drivers supported the stoppage by refusing to cross picket lines.

BR was concerned last night that the action would again damage customer confidence in the railways.

BR said last night: "There was no justification for strike action when talks on the future workload of British Rail Engineering had already been arranged with the trade unions next month."

The NUR responded by saying that the talks would amount to another lecture. "All they are going to do in the talks is tell us what difficulties they have, which we already know."

## Thatcher presses property tax reform

BY ROBIN PAULEY

MRS MARGARET Thatcher, Prime Minister, has already decided in principle to abolish both the domestic and non-domestic rates (property taxes) and has ordered detailed work on some form of poll tax, under another name, to take priority.

A ministerial meeting just before Easter to discuss the future of the rates moved much further than has been publicly indicated. The possibility of any form of local income tax as a source of revenue for local councils was firmly ruled out, and no more work is to be done on the subject.

It was also agreed in principle to respond to the long-running complaints from the business community about the non-domestic rate. This will be abolished, if the Cabinet agrees, and be replaced by a uniform local business tax, set and levied by the Government. This may then be redistributed to councils as part of a revised grant system or allocated pro-rata to councils independently of the grant system.

Several ministers have argued that the domestic rates, although overburdened and in need of reform, are too good a tax to abandon. But Mrs Thatcher is determined to abolish them completely if possible. This would fulfil a long-standing personal ambition and pledges made several times since she became party leader 10 years ago.

Mr Patrick Jenkin, Environment Secretary, fully supports Mrs Thatcher's aim to abolish the rates although other departments including the Treasury, which has now got firm control of rate levels, have reservations.

Mrs Thatcher has ordered the Environment Department to work flat out on the problems so that ministers can meet her again in May to take decisions which will be taken straight to the full Cabinet for endorsement.

A white paper (policy document) will follow quickly, followed by legislation in the 1986-87 session of parliament to get the detailed proposals on the statute books before the next general election. But the

new system would not start operating until after the election.

This strategy is designed to tempt voters to vote Tory to end the rates and get a fairer local tax while pre-empting the opposition from making claims about what might be in store.

The Government's grant system, widely criticised for its complexity and inconsistencies, is to be revised and simplified to put it on a basis related only to need and not tied to local rateable resources. Grant allocations would be fixed regardless of a council's spending levels and the target and penalty schemes would be dropped.

In 1985-86 rates will raise £13.8bn of which £6bn will come from domestic ratepayers. To replace this with a poll tax would need £150 per head from the country's 40m adults. If pensioners and the poor were exempted the tax base would be narrower and the burden could rise to as much as £250 to £300 a head for those paying.

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## UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unutilised vacancies (000s). All seasonally adjusted, unless stated.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unempl.	Vacs.
1983							
4th qtr.	103.5	98.1	100	109.9	151.4	2,941	162.0
1st qtr.	104.0	95.9	103	108.0	123.5	2,998	147.0
2nd qtr.	101.6	99.7	107	111.6	130.7	3,026	154.1
3rd qtr.	102.1	101.0	106	112.5	133.8	3,076	165.0
4th qtr.	103.3	101.1	103	115.1	144.0	3,103	166.5
October	102.5	100.4	106	113.6	140.3	3,100	170.5
November	103.3	101.2	103	114.4	150.2	3,102	167.6
December	103.3	101.7	102	117.0	154.1	3,108	161.3
1984							
January	105.2	101.3	112.8	125.4	171.2	3,128	157.2
February	105.0	102.2	113.9	132.0	174.8	3,148	156.1
March						3,147	159.2

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Housing starts
1983							
4th qtr.	101.0	93.8	110.0	96.2	106.8	97.4	15.9
1st qtr.	100.2	93.7	110.5	96.1	113.5	95.9	16.5
2nd qtr.	101.4	98.1	105.3	97.4	108.1	96.9	17.8
3rd qtr.	102.1	96.7	104.5	99.5	109.4	97.1	16.3
4th qtr.	103.4	96.5	106.4	98.5	107.0	98.7	12.5
August	102.0	97.0	104.0	100.0	111.0	97.0	12.5
September	103.0	97.0	105.0	100.0	110.0	98.0	15.0
October	102.0	96.0	106.0	98.0	106.0	98.0	15.7
November	103.0	97.0	106.0	99.0	108.0	98.0	13.9
December	104.0	97.0	107.0	99.0	107.0	100.0	9.9
1984							
January	104.0	98.0	109.0	100.0	100.0	98.0	7.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); value balance; current balance; oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Value balance	Current balance	Oil balance	Terms of trade	Resv. trade
1983							
4th qtr.	107.3	112.9	-221	+350	+2,099	97.7	17.8
1st qtr.	108.7	112.1	-57	+821	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	-128	-592	+1,543	96.8	15.51
3rd qtr.	108.0	118.5	-163	-929	+1,694	96.7	15.58
4th qtr.	117.5	128.1	-137	+641	+1,468	96.1	15.52
September	108.5	128.9	-87	-546	+1,577	96.7	15.26
October	115.4	131.2	-87	+301	+1,173	96.4	15.25
November	118.0	128.8	-177	+303	+1,252	95.8	15.50
December	115.2	125.2	-344	+136	+1,743	96.0	15.69
1984							
January	116.5	118.2	-76	+341	+928	96.0	15.52
February	121.5	124.4	-70	+131	+681	96.0	15.53
March							15.63

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; H.P. new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Advances	BS inflow	HP lending	Base rate
1983							
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,774	9.00
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,668	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.2	30.2	12.2	9.9	1,624	2,909	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
September	4.4	7.8	4.0	2.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1984							
January	5.0	9.0	13.6	16.3	823	1,164	14.00
February	3.1	-5.0	4.3	13.3	474	1,015	14.00
March					214		13.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings	Basic matis.	Wholesale mfg.	RPI	Foodst	FT commodity	Strig.
1983							



## AUSTRALIA

As a result of the recent de-regulation, the Australian finance sector is currently undergoing dynamic change and diversification.

Consequently the Sydney office of Michael Page Partnership has a large number of clients who wish to recruit international finance executives. We are therefore particularly interested in hearing from individuals with experience, at various levels, in the following areas:-

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- ★ Stockbroking

Positions are available for British/European citizens or Australian nationals returning home. In addition to relocation expenses, salaries will be commensurate with age and experience.

Please contact, in the strictest confidence, either David Sattin on 01-831 0431 or Nick Waterworth on 010 612 235 1488 at Michael Page Partnership, Level 19, 1 York Street, Sydney, NSW 2000, Australia.



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**General Accident**

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The successful individual will have the potential to assume a senior managerial role in the short term and there is scope within the future plans of the company for greater involvement.

Remuneration will fully reflect the importance which the company attaches to this appointment.

Please contact Sarah Gates on: 01-404 5751 at Investment Division, 23 Southampton Place, London, WC1A 2BP.



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## JOBS COLUMN

# Big gap between industry and City banking

BY MICHAEL DIXON

HERE, for the second week in succession, comes a batch of the Jobs Column's spring salary indicators. The season has still another week to run. West Thursday 1 intend to give some international comparisons of top executives' pay.

Today's figures are compiled from the latest of the Reward Organisation's twice-yearly surveys, which is based on 17,007 items of pay information provided by more than 600 companies in Britain, predominantly in industry. The full survey, which won't be published until Monday, is obtainable from Reward (1 Mill Street, Stone, Staffs ST15 8BA; telephone 0785 814554) at £70.

While only seven days in terms of time behind the salary indicators for London banks' staff which I gave last week, the industrial pay figures are a good way further behind in terms of money.

The lag may be estimated from today's table which lists 16 different types of managers largely in industry. They would all normally rank immediately below directors in their particular specialism, although in small concerns they could be on the board while doing essentially the same work.

The left-hand two columns of figures give first the basic salary and then the total cash rewards including bonuses and the like of the lower quartile manager

Most senior manager below rank of director in:	Lower quartile	Total money reward	Basic salary	Median	Upper quartile
	£	£	£	£	£
Advertising & PR	16,594	16,730	22,877	24,417	26,143
Legal advice	16,085	16,085	20,500	20,690	24,174
Scientific department	14,695	14,803	17,681	18,034	22,500
Finance & accounting	14,252	14,530	18,500	19,000	22,550
Company secretarial	14,500	14,600	17,164	17,434	22,492
Marketing	14,104	14,473	16,530	17,124	20,321
Computing	14,030	14,307	16,371	16,485	19,863
Research & development	13,967	14,000	16,100	16,275	20,500
Personnel	13,500	13,488	15,950	16,376	19,011
Sales	13,500	13,504	15,800	16,382	19,011
Engineering	14,279	14,472	15,551	15,858	19,011
Management services	13,250	13,250	15,500	15,500	19,011
Administration	12,000	12,475	15,010	15,678	19,238
Quality assurance	12,747	12,857	14,770	14,978	19,479
Production	12,694	12,961	14,610	14,900	19,479
Purchasing	13,253	13,459	14,280	14,932	19,479
All top-rank managers	13,800	—	16,000	—	19,479

\* In smaller companies could rank as director, otherwise reporting directly to Board level

who would be a quarter way up from the bottom of a ranking of all in the same category. The next four columns refer to the median manager placed half way in the ranking, giving this year's salary and total rewards then the corresponding figures a year ago. Finally we have the current year's figures for the upper quartile executive. It is this year's median salary which decides where each job is placed in my league table.

As it shows, only two of the industrial types have a median salary of more than £20,000. They are advertising and public

relations managers, and legal advisers. By contrast, last week's figures for similarly ranked London bank staff indicated that no fewer than 36 different types of them had an average salary of £20,000-plus.

The grounds for comparison between the two sets of figures are far from perfect. Medians are not the same as averages, for one thing. More importantly Reward obtains its pay details for industrial managers from the companies employing them, whereas the figures for bankers were based on what they individually said they were

being paid when they applied for a new job through the Jonathan Wren recruitment consultancy.

Moreover, whereas the bankers are employed in London, the industrial managers are spread throughout the country. Pay can vary considerably with place of work. Among the managers covered by today's table, the median salary of those employed in Greater London was 5.8 per cent higher than the overall median. Other regional differences by the same yardstick were: higher—Scotland including the oil areas by 8.6 and south-east England by

1.4 per cent; lower—north-west by 0.3 per cent, north-east by 5.2, south-west by 5.8, eastern counties by 5.9, and West Midlands by 14.2 per cent.

Pay also varies with size of employing organisation. In terms of the industrial companies' turnover, for instance, the variances on the median from the £16,000 overall figure were: higher—£100m plus by 23.6 per cent, and £40m-£100m by 9.4; lower—£5m-£10m by 1.6 per cent, £15m-£40m by 2.0, and up to £15m by 8.4. In addition, to compensate for the delay between the collection and publication of the survey data, all figures in the table should be increased by 2 per cent.

Where the bankers are concerned, I have no figures for variances by size of employer or for time lag. Differences in perks are hazy. While industrial people may have the edge in company cars—which are supplied to about 70 per cent of the managers ranked immediately below director—the bankers seem to do far better by way of subsidised mortgages and such like.

But despite the discrepancies, it seems safe to say there is a big gulf between the rewards of comparably ranked people in industry in Britain on the one hand, and in City of London banking on the other. Judged by signs of continuing shortages of key staff in the City,

the gap will go on widening. The report problem, as I reported last week, is apparently that as competition has sharpened the banks have shrunk off many staff at inadequate notice of the departure of the bankers has left them collectively without enough babies to go round. In an effort to attract them from one another, banks are luring head-hunters, who in many instances are viewed by banks' personnel managers as providing value for money.

That report has stimulated a flood of letters from head-hunting consultants. None of them, strangely enough, admits it is milking banks for every penny it can get. Instead all assert that there do exist consultants which give good value—including the one sending the letter.

Their best objective advice to company personnel managers is that before hiring a consultant they should make it spell out precisely how it will tackle the assignment and how much it expects to be paid for achieving what at each stage.

But banks' personnel chiefs might also do well to start extending their searches more widely beyond people already in banking, and get rid of an apparently strong age-prejudice. Numerous other letters received this past week accuse banks in general of relaxing even to consider anyone over about 45.

## Investment Analyst/Equities Research-Management New York

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Please write in confidence, enclosing career details and quoting reference S5614 to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

**PEAT MARWICK**

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Please apply in writing, enclosing a cv to Barbara Lord of Cripps, Sears and Associates Ltd, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6JH, Tel: 01-404 5701.

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Applicants should reply in the first instance to Keith Fisher, quoting Ref. 636, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone 01-248 0355. All enquiries will be treated in total confidence and no names will be released to our Client until after a preliminary discussion.

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For further details contact Kevin Byrne, on 01-588 6644 (from 8.15am to 7.00pm on Thursday 18 April), or send a detailed c.v. to the address below. All enquiries will be treated in the strictest confidence.

Anderson, Squires Ltd.,  
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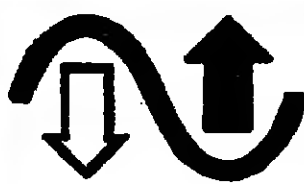
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If you would like to discuss in strictest confidence either of the above positions or if you consider your skills may be of interest to our clients during their current programme of growth, please write to, or telephone:

Derek A. Burns, MCP Consultants, Halton House, 29 Holborn, London EC1N 2JD (01-405 9000) to arrange an informal discussion.

**MCP Consultants**  
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Contact: Felicity Horner

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Contact: Kevin Byrne

Anderson Squires Ltd, Bank Recruitment Specialists  
Blomfield House, 85 London Wall, London EC2 01-588 6644

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Contact: Sarah Beaumont

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Contact: Sarah Beaumont

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SOLUTION: Ask experienced professionals to help you. We advise on your career options, design a personal marketing plan, and work with you in team work to locate your next appointment.

London is the executive recruitment centre for the English speaking world. Through our network of contacts, information systems and technology, over 80% of our clients have identified unadvertised vacancies.

We charge you fees for our work — it could be the best investment you ever make.

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**Connaught**

Executive Management Services Ltd,  
32, Savile Row, London W1 01-734 3879

## Economist: Seeking a Career in Investments

The development of our Fund management business requires additional expertise in the fixed interest and currency markets. The successful applicant will be expected to contribute to the Fixed Interest team formulating economic and market analysis and assisting in managing client portfolios.

He or she will have a good degree and probably at least two years experience as an economist/analyst in an investment or banking environment.

This is a challenging opportunity for the right candidate and a competitive package will be offered. Foreign & Colonial Management Group is one of the oldest and best established investment groups in the City of London. With over £1,000 million under management the Group manages the portfolios of investment trusts, unit trusts, pension funds, charities and private clients.

Apply in confidence to Adam Parkin, Foreign & Colonial Management Limited, 1 Laurence Pountney Hill, London EC4. (Tel: 01-623 4680).

**Foreign & Colonial**  
MANAGEMENT GROUP



## City Corporate Finance

£26,000+ benefits

Our client is a small City Issuing House with a first class reputation for specialist Corporate Finance work.

In order to continue its programme of forceful expansion, a further Corporate Financier is required to fulfil a highly challenging role.

The position demands an individual with at least two years City Corporate Finance experience. The successful candidate will be a self starter who will relish the challenge of playing a key role in the department.

An attractive salary and benefits package

will reflect the importance of this appointment. Promotional prospects will be excellent.

Interested applicants should write, enclosing a comprehensive curriculum vitae, to Neal Wyman BSc ACA, Manager, Corporate Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref: 4317, or telephone him on 01-404 5751.

All applications will be dealt with in the strictest confidence and an informal discussion will precede submission to our client.



**Michael Page Partnership**

International Recruitment Consultants

London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

### Senior Lending Officer

## Accelerate Expansion

Do you have a proven track record in developing new business with corporate customers? If so, use your experience and innovative skills to maximise your career potential by expanding the customer base of the London Branch of this major international bank.

This is a new position and your main responsibility will be to market the bank's products to existing and potential customers primarily in the UK. You will have the opportunity to significantly influence the direction of new business and contribute to new product development.

Aged in your 20's or early 30's you have at least two years' front line calling experience, good credit skills and a broad knowledge of loan related proposals and documentation. Personal strengths

include commercial acumen, good communication skills, flexibility and determination.

Attracted by increased responsibility and the chance to work as a key member of this growing department you will benefit from being part of a major international bank which has a wide network of subsidiaries and affiliates. With substantial UK expansion plans there are good prospects for advancement and a rewarding long term career. Salary is negotiable commensurate with experience plus excellent banking benefits.

Please apply enclosing a CV to Barbara Lord, Senior Consultant, Cripps, Sears and Associates Limited, Personnel Consultants, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701.

**Cripps, Sears**

## COMMONWEALTH BANK OF AUSTRALIA

### SENIOR AS SPOT DEALER

An experienced Spot trader is required to assist in expanding our forex dealing operation in London.

Ideally candidates will be aged 25/30 and have a minimum of three/five years' experience in Spot trading (preferably in the Australian dollar or similar markets).

Competitive salary commensurate with experience plus benefits.

Please send full career details, in confidence, to:

I. P. Greig, Staff Manager

Commonwealth Bank of Australia

8 Old Jewry, London EC2R 8ED

## Marketing and Business Development Manager

### Pension Fund Investment

£attractive + car + banking benefits City

Our client, a well-known Merchant Bank, is strengthening the marketing and business development side of its Pension Fund Investment activities. As a result they are seeking to recruit a highly energetic Manager who will, within an already broadly defined marketing plan:

- increase the market's awareness of the Bank's Pension Fund Investment capabilities.
- sustain a high profile by maintaining continuous contact with Benefit Consultants and Advisers.
- develop marketing openings and exploit all opportunities to the point of shortlisting/presentation.

The successful candidate, probably in their early 30's, and of graduate calibre, may be an existing Benefits Consultant or performing a similar marketing role for an Investment Department in another Financial Institution.

Highly developed human relations and selling skills are vital, along with high energy and enthusiasm to drive the marketing effort through the more routine activities, as well as the more creative ones. The remuneration package includes an attractive base salary plus profit share, car, subsidised mortgage scheme and the usual range of Merchant Banking benefits.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Michael Hordern ref. B. 1973.

This appointment is open to men and women.

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52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

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### OPTIONS TRADER

A leading International Futures Broking Company is seeking a person to head up its option team and develop an already expanding business.

The candidate must be conversant with options, be numerate and inventive with the ability to develop strategies for a wide customer base from commercial hedgers to private speculators in commodity, currency and interest rate markets.

The ability to write the necessary computer programmes for the pricing of options would be an advantage.

Salary negotiable according to age and experience.

Please reply to: Justin Downes  
Financial Strategy Ltd.  
19/20 Old Bailey  
London EC4

## CANADIAN IMPERIAL BANK OF COMMERCE

### Oil & Gas Manager

Canadian Imperial Bank of Commerce is a leading international bank with assets of 68 billion Canadian Dollars and an established UK operation for more than 120 years.

Our Oil and Gas Department is responsible for the development of financing opportunities for oil and gas business with an emphasis on project related lending throughout Europe, the Middle East and Africa. The past success of these efforts has resulted in a substantial increase in business and in response to this we now wish to appoint a Manager who will assume the role of deputy head of the department.

We seek an ambitious self-starter, probably aged mid thirties with 5-7 years corporate and project financing experience, at least three of which should be in the oil and gas sector.

We offer an attractive benefits package and a remuneration level commensurate with the experience and qualifications of the successful applicant.

Please apply in writing, with a detailed CV indicating desired remuneration level to:

Ron Waugh, Personnel Manager  
CANADIAN IMPERIAL BANK OF COMMERCE  
55 Bishopsgate, London EC2N 3NN

### VACANCY FOR PART-TIME EXECUTIVE CHAIRMAN

A new International trade promotion company requires the services of a part-time Executive Chairman with the following requirements:

1. The prospective candidate must live within easy daily travel into central London.
2. The prospective candidate must be able to devote two or three days a week to their job at our offices.
3. The prospective candidate must have had a demonstrable successful career in marketing and give leadership to a small group of executive marketing staff.
4. The prospective candidate will be expected to lead the formulation of an active, aggressive marketing strategy.
5. The prospective candidate will also act as Chairman of a small Company Board.
6. We shall be looking for a candidate aged between 45 and 60.

Write in confidence to:  
"THE ADVERTISER/CCO/COL"  
14 Sherlock Mews, London, W1

# opportunities for Senior Insurance Executives

Citicorp Insurance Brokers are planning a major international programme of expansion following the acquisition of Brandts Insurance Brokers at Lloyds.

### LONDON

Senior managers/teams are required to operate within the Reinsurance, Non-marine US and Aviation markets. Substantial remuneration and unrivalled career prospects will be offered to the managers and executives filling these key positions.

### OVERSEAS

Senior managers are required to assume chief executive responsibility in opening and running new offices in Greece, Turkey, The Philippines and Malaysia. Overseas experience is essential and the successful candidate will be 35+, with a minimum of three years experience in a management role. ACII or FCII qualifications are required.

### INDONESIA

A Junior Manager is required to assume responsibility for training in Citicorp Insurance's Indonesia office. The successful candidate will be 27+, with ACII qualifications and a minimum of 5 years experience in the London insurance market.

For the overseas positions Citicorp offers a full expatriate package and excellent career prospects. For further information on these exciting new career opportunities write in complete confidence, enclosing c.v., to:

Ian MacInnis, Finance Director

Citicorp Insurance Brokers Limited

St Clare House, 30-33 Minories, London EC3N 1DD

or for more information on an informal, confidential basis telephone Peter Dove on 01-439 1148

# CITICORP INSURANCE

### Appointments Wanted

**GENERAL MANAGEMENT FINANCIAL CONSULTANCY**  
Chartered Accountant, 50, with wide industrial experience seeks new challenges. Managing Director experience in Engineering Company with diverse products. Financial management at director level in U.S.A. and British controlled companies. Includes secretarial and treasury functions. Former and controlled over manufacturing company with Energy Saving Products. Personality involved in Sales and Production. London S.E. England.  
Write to: A/MSL, Financial Times, 10 Cannon Street, London EC4A 4AF

### GENERAL MANAGER

City-based finance company seeks General Manager to deal with its Trade Finance and Investment Options, Group Portfolio and existing finance business.

The successful applicant will ideally be a mature person of considerable experience with good banking contacts. Salary negotiable. Please write with full C.V. to:

P.O. Box 413  
London W8 6JA

### CAPITAL MARKETS

£Neg

A highly prestigious, rapidly expanding European house seeks to meet capital market personnel with experience in the marketing (front-end seeking), execution and syndication of bond and currency deals. Highly competitive salary benefit packages will be negotiated for selected candidates.

### SWAPS

from £30,000

An important career development opportunity is offered by a major institution to a bond based swaps executive with current exposure, either marketing or execution based, in interest rate and currency swaps.

### BOND TRADING

neg c£50,000

A major London house seeks a US \$ Straight Trader to make markets. This is a new position ideally suited to an experienced Trader aged mid 20's seeking a progressive and challenging career move.

For the above vacancies  
Please Contact: Bryan Sales

### CREDIT MANAGER

to £27,000 + Car + Bank Benefits

A major Bank seeks a senior US credit trained Analyst with proven experience of large company balance sheets and transactions in the £1m - £10 million deal range. Pre-requisite qualities are a knowledge of various financial products such as asset finance, venture capital in addition to straight eurocurrency lending coupled to some European experience. Ideally the appointee would have some exposure to marketing coupled with French or German linguistic skills. Age range 30-35 years.

Please Contact: Brian Gooch

### NO.1 SALES-AID MARKETING

£25,000

The established leasing division of a major British Merchant Bank is currently seeking an experienced sales-aid specialist. Reporting directly to the overall head of the leasing activity the successful applicant will be primarily involved in marketing the organisation's vendor programmes as well as overseeing the associated documentation and administration procedures. Candidates, in their early thirties, should be able to demonstrate a successful track record in all aspects of sales-aid leasing as well as having a first class professional image. Prospects, including possible promotion into the parent Bank, are excellent.

Please Contact: Peter Haynes

### INTER-BANK/CORPORATE AND MONEY MARKET DEALERS

£ above market rate

Our client, a leading International Bank, is seeking several young talented dealers who should be able to cope with the high level of responsibility and pressure which their operation demands. The bank will offer substantial salary packages to those candidates revealing the necessary potential and commitment.

Please Contact: Trevor Williams

All applications will be treated in strict confidence.

JONATHAN WREN & CO. LIMITED, 170 Bishopsgate, London, EC2M 4LX.

Tel: 01-623 1266

**Jonathan Wren**  
RECRUITMENT CONSULTANTS

ALABOLITA



## International Treasury Management, Ltd.

### Treasury Manager

International Treasury Management, Ltd., a partnership between the Hongkong and Shanghai Banking Corporation and Marine Midland Bank, offers treasury management services to corporations, financial institutions and government agencies around the world on a fee basis.

Our London office, responsible for Europe and the Middle East, is seeking a senior Treasury Consultant to complement our highly successful corporate advisory team. You must have practical experience in international currency and money markets, as well as a broad knowledge of economics. You will possess a relevant university degree and will currently be working in the treasury management department of a bank/financial institution, providing market analysis and specific hedging advice to clients, or be responsible for foreign exchange and interest rate risk management in a multi-national corporation.

We are looking for potential high-flyers with strong marketing and communication skills. We are, therefore, prepared to negotiate an outstanding remuneration package and banking benefits which will attract the best talent available, reflecting the high level of responsibility vested in this appointment.

Please apply in confidence to: Teresa Andrews, Personnel Officer,  
MARINE MIDLAND BANK, N.A.  
34 Moorgate, London EC2R 6JR. Telephone: 01-638 1788

**International  
Treasury Management, Ltd.**

### INVESTMENT ANALYSIS

#### INDUSTRIAL HOLDING COMPANIES

Hoare Govett wish to strengthen their worldwide research coverage by recruiting an experienced analyst to join their Capital Goods team.

Taking specific responsibility for Industrial Holding Companies, the successful individual will play a key role in maintaining and developing Hoare Govett's high standard of research, within a sector for which they have an enviable reputation. Scope for the right person will be determined entirely on their own merits.

Candidates should have a minimum of one year's investment research experience, gained within either a Stockbroker or an Investing Institution. Although exposure to either the Holding Company or Building Sectors would be ideal, drive, ability and enthusiasm are of greater importance. Remuneration is entirely open to discussion.

Please contact Bob Cowell, Head of Investment Research, Hoare Govett, Heron House, 319-325 High Holborn, London WC1V 7PB. Telephone 01-404 0344.

**HOARE  
GOVETT**

## HIGH CALIBRE CALLING OFFICERS

Prestigious International Bank  
£16,000-£25,000 Age 25-33

Intellect, academic success, personal style, contacts amongst major UK companies, extensive credit analysis and calling experience, and all by the late 20's! Our clients are expecting a great deal - but then they are offering a great deal in return. Few banks are held in greater respect throughout the world's financial centres, while in the City they have earned an established reputation, offering corporate finance assistance to some of the UK's most prestigious companies. They intend to develop the market further and offer a superb opportunity to several young marketing officers, who already have top calibre banking experience and are now looking for another respected name to add to their c.v. Salary will not be a limiting factor, and there are also the usual range of large banking benefits.

Male or female candidates should send full career details to Peter Lee-Hale quoting reference LI5015.

13/14 Hanover Street, London W1R 9HG.  
Telephone: 01-493 5788.  
Link International Search & Selection Ltd.

## Deputy Manager Pension Funds Investment

LONDON

c. £23,500 + car

British Gas is a major pension fund investor worldwide, with funds under management of over £2,800 million and a net cash flow in excess of £250 million per annum.

Applications are invited for the post of Deputy Manager, Pension Funds Investment, a high-profile decision-making role with full discretionary responsibility for all investment, including the property portfolio.

Specific duties are wide-ranging, involving leading an experienced team of portfolio managers and analysts, as well as reporting regularly to trustees on pension funds investment strategy.

The post demands total involvement, and the successful candidate will possess both the experience and personal stature to operate at the highest levels both within and outside British Gas.

Salary is negotiable around £23,500 + company car.

Please write by 3rd May 1985, giving full personal and career details and quoting reference NH/AF, to: The Personnel Manager [HQ], British Gas, 59 Bryanston Street, London W1A 2AZ.

**BRITISH GAS**

## Assistant Secretary

£17,000 P.A.

CITY

A vacancy exists within the Head Office of Lloyds Bank for an Assistant Secretary.

Working closely with the Secretary as part of a team, the responsibilities will cover the full range of company secretarial duties and will include statutory work, stock exchange requirements, employee share schemes and servicing management meetings. Applicants should be Chartered Secretaries with experience of a broad range of company secretarial duties and with a high level of management contact.

The appointment has a commencing salary of approximately £17,000 p.a. (including London Allowance). In addition there is a profit sharing scheme, annual bonus and a contributory pension scheme.

Applications should include details of age, qualifications and previous experience and be sent to:-

The Secretary,  
Lloyds Bank Plc,  
71 Lombard Street,  
London EC3P 3BS.



**Lloyds Bank**

## New Issues Documentation

Develop your experience  
in Capital Markets

IBJ International Limited is the merchant banking subsidiary of the Industrial Bank of Japan. We are active in the lead and co-lead management of new eurobond issues and syndicated loans.

Resulting from our business development in this sector of the capital markets, we are seeking an additional member to join our team which deals with the development of capital market transactions.

You will be in your mid 20's, ideally a graduate and with one/two years experience in international banking, preferably in eurobonds. Highly developed personal skills, an overriding commitment to the job in hand and the potential to assume responsibility in a fast moving environment are essential.

In addition to the preparation of proposals and documentation for future bond or loan business, you will gain experience of arranging swap transactions, private placements, RUF's and other facilities available to borrowers in the capital markets.

A highly competitive remuneration package, including the normal banking benefits is offered to the successful applicant.

To apply for this challenging position, write enclosing career details to Ian Matheson, Personnel & Administration Manager.

**IBJ International Limited**  
Bucklersbury House,  
3 Queen Victoria Street, London EC4N 8HR.

## FennoScandia Limited

Licensed Deposit Taker

seeks a

### MANAGER

for its West End Branch

The branch offers financial and travel services to personal customers, most of whom are from the Nordic area.

The Manager will be responsible for the operation and administration of the branch, including control of Finnish and Swedish staff.

Candidates will have a thorough knowledge of all aspects of personal customer banking and bureau de change operations. Also necessary is thorough familiarity with the savings bank systems in the Nordic countries, with which the branch is in frequent contact.

Complete fluency in spoken and written English and Swedish is mandatory.

Please apply to:

The Company Secretary  
FENNOSCANDIA LIMITED  
The Old Deanery, Dean's Court, London EC4V 5AA

enclosing Curriculum Vitae and details of current salary

## PARTNERSHIP OPPORTUNITIES IN NORTH WEST STOCKBROKING

Substantial Remuneration  
Package

A well established, dynamic stockbroking partnership wishes to recruit young potential partners in the fields of institutional and private client sales. These areas are presently expanding within the firm at above average growth rates.

The partnership has an enviable reputation for its specialisation of advising clients on high growth smaller companies and is backed by an experienced and highly qualified research team. The partnership also boasts considerable expertise in international stock markets.

Ideally, candidates will be under 35 years of age with at least 3 years experience of stockbroking. They will be under-valued in their present positions and will be looking for a firm in which they can build a secure and successful future. Although qualifications are obviously important, self motivation and an established client base will weigh more heavily.

The successful applicants will be able to negotiate substantial fully competitive remuneration packages commensurate with these demanding positions.

Write Box A8956  
Financial Times, 10 Cannon Street, London EC4P 4BY

# FUND MANAGEMENT

We are a prestigious international merchant banking group which offers innovative financial engineering services through a comprehensive range of fee-based activities to selected corporate clients throughout the world. The Group's Investment Management team has achieved significant expansion in funds under management in the last eighteen months through the introduction of original fund concepts.

The team needs to recruit an individual of calibre well qualified to manage multi-currency bond portfolios. You will also be expected to enhance and develop private client relationships by creating imaginative investment opportunities in a demanding environment.

You are likely to have worked in a leading accepting house for several years, having developed a sound appreciation of international investment markets, particularly in the fixed interest sector, together with an understanding of current investment instruments. You should be familiar with the complexities of multi-currency fund portfolios.

There is excellent scope for career progression and job satisfaction for a self-starter who performs best within an ambitious, pressurised unit. In addition, we offer excellent merchant banking benefits, including a basic salary commensurate with the exacting responsibilities.

Please reply to Box A8965  
Financial Times,  
10 Cannon Street,  
London EC4P 4BY

## ASSISTANT TREASURER

to £25,000 pa + executive car

Our client is a substantial British engineering Group with extensive overseas manufacturing and trading interests commanding a significant place in its primary markets and benefiting from considerable product exposure on an international scale.

As a result of a recent reorganization the time is now right to appoint someone capable of assuming control of the Group's foreign exchange and money market operations.

Responsible for a team of five people, the new incumbent will be expected to make a major personal contribution in the short-term trading activities of the dealing room, whilst at the same time providing an operational overview of commercial and cash management policies influencing Treasury matters on a broader scale.

Aged around 30, applicants, male or female, must be able to demonstrate a career to date of immediately identifiable relevance with a major industrial or commercial organization. It is unlikely that anyone whose experience has been gained purely in the world of banking or financial institutions would possess sufficient experience to warrant consideration.

The position is based at the Group's head office in an attractive part of the Midlands.

The overall remuneration and fringe benefit package is substantial and includes relocation assistance if necessary.

Applications in the form of a brief but meaningful c.v. should be sent to Brian Hodges, acting as advisor to the company. Alternatively, telephone Epsom (03727) 41101 and ask for further details.

*Brian Hodges Associates*

MANAGEMENT CONSULTANTS · EXECUTIVE SEARCH · APPRAISAL AND TRAINING CONSULTANTS  
Suite 3, 50-52 High Street, Epsom, Surrey KT19 8AJ, England.

### Exciting New Venture in Growth Market

## Sales Executive - Treasury Systems

c. £21,000 - OTE + car Home based - Southern England

F International is one of the UK's largest independent systems and software houses - renowned as a successful pioneer of new ways of working for computer professionals.

We have recently launched our first package - a sophisticated micro-computer based Treasury Management System. As a key member of the small specialist team, you will be fully involved in the production of sales plans, identifying new business opportunities and undertaking direct selling to ensure achievement of targets.

You will have at least 3 years' proven success in a sales role, preferably dealing at board level within financial products and services.

A knowledge of treasury/foreign exchange activities would be an advantage, as would experience in computing. In addition you must have strong communication skills and be a persuasive 'self-starter'. Prospects are first-rate - both financially, where in addition to basic salary commission will be paid on all sales, and for personal development.

If the opportunity to be 'in at the beginning' appeals to you, send full career details to:

Miss Pam J Evans, Company Personnel & Training Manager

**F International Limited**

Chesham House, Church Lane, Berkhamsted, Hertfordshire HP4 2HA.  
Tel: Berkhamsted (04427) 75051.

## CRM VERMOGENSBERATUNG GMBH

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R. F. Winkler  
UK Representative Office:  
38-41 New Broad Street  
London EC2M 1NH

### Appointments Wanted

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Extensive Board experience of successful (and unsuccessful) companies offered on part-time basis but with full commitment. Knowledge of Far East and U.S.A., as well as U.K. finance and management. Would particularly suit medium-sized PLC or private company.  
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### CHIEF EXECUTIVE (C.A.)

with wide experience in Financial Services, including large merger implementations seeks demanding Senior Appointment - U.K. preferred.  
Write Box A8974, Financial Times, 10 Cannon Street, London EC4P 4BY



## International Securities Sales and Marketing

A major U.S. international bank with a long established presence in London has several exciting new opportunities to offer due to the continuing expansion of its worldwide Securities business.

**International Securities - Sales:** Applicants should be graduates with at least three years' general financial product sales experience. An International and U.S. Domestic Securities background would be a distinct advantage. Candidates, with excellent verbal and written presentation skills, will ideally have some knowledge of modern European languages.

**International Securities - Marketing:** This position demands a similar background to the above, together with a past success record in the development of trust and agency business among issuers in international Capital Markets. The ability to advise on all aspects of marketing strategy and planning is also required.

Remuneration packages will include excellent benefits and those who feel they have the necessary qualifications, ability, drive and initiative, should contact **Chris Smith** on 01-404 5751 or write, quoting ref. 3493, enclosing a comprehensive c.v., to the Banking and Finance Division, 23 Southampton Place, London WC1A 2BP, indicating any banks to which you would not wish your details to be forwarded.



**Michael Page Partnership**  
International Recruitment Consultants  
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

## Director of Business Affairs

London

from £35,000

A well diversified and strongly financed group requires a highly accomplished financial executive to give strong commercial support to the chief executive of a rapidly developing £50m. capital subsidiary.

The company has harnessed outstanding technical resources and backing in its early development phase. This appointment is seen as vital to ensuring that future development in its services sector is guided by astute financial management and advice.

Senior financial executives, c.40 upwards, should offer substantial experience in medium sized industrial/commercial environments with a wide

span of responsibilities. Subsequent general management experience could well be a plus. Personality must add weight and leadership to a strong professional team.

Write, in confidence, quoting reference 2437/L, to M.R.P. Blankenhagen, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD, describing how your present aspirations respond to this requirement and enclosing career details.

PEAT MARWICK

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Fixed Income, Far East, U.S., European or U.K. specialists needed at mid and senior levels. Several openings for Private Client Executives.

### Other

Senior Corporate Finance Executives, Economists and Unit Trust or Pension fund marketers.

Whether you are actively looking to move, or would simply like to be kept informed, please contact us in total confidence: Please telephone, Anthony Jones, 01-234 7307.

**Stephens Associates**

International Recruitment Consultants  
44 Carter Lane, London EC4V 3BX. 01-234 7307

REUTERS REUTERS REUTERS REUTERS

## REUTERS INSTINET Sales Manager

£35,000

REUTERS recently announced an agreement with Institutional Networks Corporation to market the INSTINET service in the UK and Europe.

Instinet operates a computer system, which enables the automated execution of transactions in US equities, ADR's and options. The system offers simultaneous two way trading communications with the execution of transactions being completed automatically within seconds together with hard copy confirmations at both ends of the deal.

The plan is to offer initially the service to the UK. It will then be extended progressively to other countries in Europe and the rest of the world outside the US.

In order to capitalise on this significant opportunity Reuters is now building a dedicated commercial team and seeks to make the key appointment of Systems Sales Manager.

Relevant candidates should be able to demonstrate a thorough understanding of the US equities and options markets, probably gained whilst active as a dealer or broker. This experience will be utilised in developing the UK and European broker and institutional markets and also in training and supporting specialised sales forces in the Reuters sales offices throughout Europe.

Although previous information systems sales experience would be a distinct benefit, it is much more important for candidates to have an intimate knowledge of the markets to which the system will be sold and have the ability to adapt and utilise this experience in a sales and marketing role.

In addition to a high salary with commission, the benefits of a company car, medical care and pension scheme are also provided.

Applicants of either sex should apply in confidence to Hugh Dixon on (0562) 53319 (24 hour service) or write to Johnson Wilson & Partners, Clarendon House, Hyde Street, Winchester, Hampshire SO23 7DX, quoting reference 588.

**Johnson Wilson & Partners**  
Management Recruitment Consultants

REUTERS REUTERS REUTERS REUTERS

## EXECUTIVE DIRECTOR

Licensed deposit taker  
£40,000 plus

A rapidly growing licensed deposit taking company in London is looking for a dynamic and energetic person with at least 15 years experience in domestic and international banking to take over as executive director. The position provides excellent opportunity for creative work and growth. Ideally the applicant should be currently earning at least £40,000.

Write latest by both April 1985 to Box A8968, Financial Times, 10 Cannon Street, London EC4P 4BY.

## ASSISTANT CREDIT MANAGER

To play a major role in the development of sophisticated credit facilities

This senior appointment calls for an ambitious young professional looking for increased responsibility within the progressive environment of a top international company. Credit control with Motorola - the UK's leading manufacturer of communications equipment and the major supplier of infrastructure to the Celine cellular system - is, of course, an extensive and rapidly expanding operation.

As Assistant Credit Manager reporting directly to the Credit Manager, your brief will reflect this wide-ranging diversity. It involves the supervision of circa 1200 accounts including a recently appointed dealer network, co-ordinating the activities of 4 Credit Controllers, and making a major input into the design and implementation of new credit facilities.

Naturally, the demands of the role call for an experienced credit control specialist. You should be a highly motivated young man or woman, aged 25-30, who's both a graduate (or equivalent) and either a member of the ICM or similarly professionally qualified.

Four years' - In Credit Control with a major finance/multinational company should be complemented by the incisive business skills to take advantage of career opportunities as they arise within our expanding Company.

In return, Motorola offer a progressive salary enhanced by the range of benefits to be expected from a major multinational company.

Please forward your c.v. in confidence, quoting reference: 15/FT,

to: Sue Boxall, Personnel Department, Motorola Limited, Jays Close,

Viabes Industrial Estate, Basingstoke, Hants RG22 4PD.

**MOTOROLA**  
Communications Group

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## UK NEWS

## The Aitken Hume way from A to Z

By Charles Batchelor

THE RECENT abortive merger talks between Aitken Hume, the fund management and banking group, and Fleet Holdings, the owners of Express Newspapers, have added to the City's uncertainty about what Aitken Hume is and where it is going.

The close involvement of Timothy Aitken, chief executive, and his cousin and Aitken Hume chairman, Jonathan, with attempts to rescue TV-am, the problem-laden breakfast television channel, had already blurred the company's image.

The Aitkens' apparently successful struggle to restore TV-am's fortunes kept them in the public eye but left many in the City wondering how much time they had left to devote to the less glamorous task of managing other people's money.

"We were impaled on the back of TV-am in 1983-84," Timothy Aitken acknowledged. "People said incessantly that Aitken Hume was involved in TV-am. It was not. TV-am was a private investment by our family."

Problems at two companies Aitken Hume recently brought to market, Chemical Methods Associates and Security Centres (Holdings), and an unsuccessful rights issue have combined with the image problem to put Aitken Hume on a lowly stock market rating.

Nevertheless, Timothy Aitken believes that the purchase in October 1983 of National Securities and Research Corporation, a New York-based fund management company, for nearly £33m has put Aitken Hume firmly on course as an investment manager.

The National purchase appears to have started a change in the City's perception of Aitken, though it has not removed all the doubts. What National did do however was to bring in an investment portfolio worth £1.5bn and push Aitken into the big league of UK fund managers alongside established groups such

as Henderson Administration and GT Management.

If the City was surprised at the scale of Aitken Hume's ambitions in taking on National, it now regards the purchase as a sensible one.

Aitken Hume has a short history, starting in 1977, when the Aitkens bought control of Investment Intelligence, a unit trust group.

In 1980 the Aitkens went on to buy Aberdeen Investments, a publicly-quoted investment trust, and then absorbed Hume Corporation, a banking group. Aberdeen was renamed Aitken Hume.

In 1983 came a move into North America with the purchase of National, a publicly-listed group with a spread of mutual pension funds.

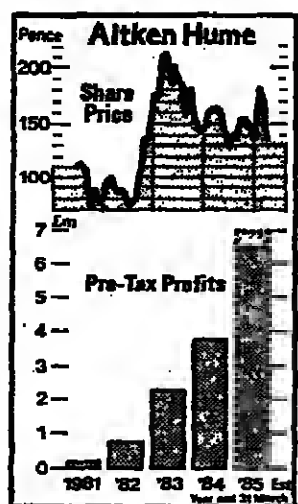
Aitken Hume had been looking for a way into the U.S. financial services market for some time and decided the investment management sector was the best approach. But the path was not smooth.

The company's initial target, a privately-owned fund manager, agreed a deal with another U.S. group five days before completing takeover negotiations with Aitken Hume.

Once the National purchase was sewn up Aitken set about reviving what had become a very sleepy company.

Despite the size of its investment portfolio National still took the old-fashioned Wall Street ticker tape in its dealing room. It had only two Quotron stock price screens in its offices and the company's telephone switchboard did not allow staff to make international calls from their desks.

"Within four days of the ink drying on the contract we removed most of the analysts and the people at the top of the company. We shifted younger people around and reorganised the office," Timothy Aitken said. Geoffrey Hyde, Aitken Hume's top marketing man, was



despatched full-time to the U.S. and National, which had previously followed up other fund managers' ideas by devising and launching new funds of its own. "We are investment managers first and foremost," Timothy said. "I don't think the company was ever a merchant bank but the acquisition of National confirmed that thinking. I believe National will be the making of Aitken Hume."

That may be so but the £17m rights issue of three new shares for every two which Aitken Hume used to fund a large part of the National deal stopped badly.

The underwriters were left with 50 per cent of the issue and many people in the City were left with a rather jaundiced view of Aitken Hume. In just 13 months the company has expanded its equity base from 6m to 34m shares.

"They issued paper at a high price and people lost money," said one analyst. "They gave the impression of being men in a hurry who cut a few corners."

National brought in an invest-

ment portfolio worth £1.5bn though Wall Street's recovery and the launch of new funds has increased it to £2bn. This compares with £150m worth of funds managed in the UK.

These activities now dwarf the banking services division, which offers such things as money market interest accounts and bridging finance for investment clients and professional advisers.

Fees from fund management are expected to provide nearly three-quarters of the £6.5m-£7m profits brokers anticipate for the year ended March 31. This represents a near-doubling from the £3.8m profit in 1983-84 and compares with just £107,000 in 1980.

National has proved adept at adding on new funds to its existing portfolio at minimal cost and is expected to contribute £2m-£3m towards Aitken Hume's 1984-85 profits.

The corporate finance activities are now being reined in. "We tried to build up our corporate finance function," said Timothy Aitken. "But mistakes came through and we realised the sieve had to be finer. A corporate finance department spends 80 per cent of its time chasing things which don't seem to come to anything. We don't need it any more."

In May 1983, Aitken Hume brought Chemical Methods Associates, a U.S. dishwasher manufacturer, to the Unlisted Securities Market. The company failed to meet its profits forecast and it felt obliged to offer to repay shareholders their money.

Security Centres (Holdings), a security alarms group which Aitken Hume brought to a full stock market listing in January 1983, turned sour at the end of last year.

A plan by Security Centres to sell its core UK business to a rival wiped 30 per cent off the value of its shares. The deal was later called off but the share price has not recovered.

With National under its belt where does Aitken Hume go now? Profits are flowing strongly from the fund management business and Aitken has plans for a cash acquisition on the financial services field. "We are looking for a link

with an insurance company which could be integrated with our investment business in London," Timothy said. "It would make good sense for us to offer a package of financial services."

Which brings us back to Fleet. Where did these merger talks effectively to arrange a takeover of Aitken Hume by Fleet—fit into the pattern?

The approach was widely regarded as a defensive move by Fleet to make more difficult a takeover by its new 21 per cent shareholder United Newspapers. United has since declared its intention of making a bid for Fleet, provided it can get clearance from the Monopolies and Mergers Commission.

The Fleet discussions raised the intriguing prospect of renewed links between the Aitkens—Timothy and Jonathan are respectively grandson and great nephew of the late Lord Beaverbrook—and the newspaper empire Beaverbrook founded.

Aitken saw the approach as a chance to create a financial services arm within the Fleet empire with the strong financial backing this would give his company.

But the deal fell through on the price Fleet was willing to pay and the opposition which could have been expected from United and a number of other shareholders.

Timothy Aitken is not opposed in principle to injecting his company into a larger group but he sees no other possible partner which would fit as well as Fleet.

"I don't say we are not interested in our independence but if you can see a way of going from A to Z without going through all the other letters of the alphabet why not take it," he said.

The City is still not entirely happy with the scale of Aitken's ambitions though he has been attempting to convert the broking and investing communal-

ties. "I think they have learned some lessons and are getting rid of the problem sides of the business," commented one analyst.

RMC

## Preliminary Announcement

Year ended 31st December 1984

## Financial Highlights

	1984 £m	1983 £m
Turnover	1174.9	1048.5
Operating Profit		
United Kingdom	54.7	47.0
West Germany	15.5	18.1
Other countries	15.2	9.0
Related companies	85.4	74.1
Profit before taxation	5.1	3.4
Earnings per share	81.3	71.6
	45.1p	39.5p

Dividend The Directors are to recommend a final dividend of 8.6p per share which, together with the interim of 4.4p, makes a total of 13.0p per share for the year (1983 12.0p).

The 1984 Annual Report will be posted to shareholders on 14th May 1985.

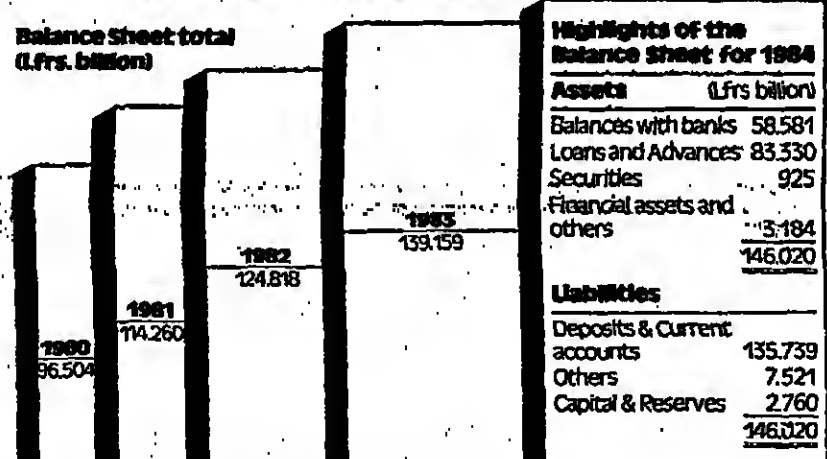
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## GROUP RESULTS FOR 1984

	1984	1983
Turnover	£162m	£138m
Profit before Taxation	£6.5m	£2.9m
Dividends per share	2.7p	
Earnings per share	15.8p	5.0p

Chairman M. Ward Thomas reports:

The overall achievement of the Group is based on good results from all major activities. Provisional results for 1985 indicate that the Group continues to trade successfully in all divisions.

For copies of the Chairman's statement and the Report & Accounts write to the Company Secretary.

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- 👎 lower income

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\*This is based on Dee including substantial exceptional property profits and on an abnormally low tax charge. As almost all the recent increase in Dee's 1984/85 profit forecast stems from property profits, a comparison based on Dee's original forecast (which did not include property profits of an exceptional nature) shows Booker had higher 1984 earnings per share. Booker has not included property profits of £8.5m before tax (equivalent to 3.4p per share after tax) categorised as an extraordinary item in its 1984 results. Booker's 1985 forecast shows earnings per share substantially ahead at 24p.

## BACK BOOKER

Each Director of Booker McConnell PLC (including those who have delegated detailed supervision of this advertisement) has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. Each of the Directors accepts responsibility accordingly.

## EUROPEAN BUSINESS

John Wicks reports from Zurich on an international hotelier's struggle

## Setback for Nova-Park in battle to ward off insolvency demand

NOVA-PARK, the Swiss hotel group, is faced with extinction. A Zurich judge yesterday declared the company bankrupt on a claim of nearly SwFr 60m (\$24m) by Credit Suisse. An appeal can be made within 10 days, but there seems to be little chance for the heavily-indebted Nova-Park to keep going.

In the early '80s, Nova-Park was one of the most talked about companies in the hotel business. The Swiss founder, Rene E. Hatt, who had broken new ground in Zurich some 10 years earlier with a hotel designed as a "commercial and community centre with multi-form structure," suddenly emerged as a jet-set favourite.

With Middle Eastern support, his company had inaugurated the extravagant Nova-Park Elysee with its \$3,000-a-night Presidential Suite in Paris, as well as taking over the luxury La Perouse there and the former Paris Sheraton. It was managing the Green Pyramids, built up around a former actor's villa in Giza, and the Alhambra Nova-Park in Jeddah. New York's select Gotham on Fifth Avenue was being rebuilt, while the group planned further projects elsewhere in the U.S. and in Beirut.

As recently as January, 1983, Mr Hatt was confident that all was well. He forecast 1983 turnover of more than SwFr 200m (\$88m) and disclosed that investments to date had reached SwFr 580m. Following a capital increase late the previous year, paid-up share capital had risen to what the company called an "impressive" SwFr 210m. All seemed set for Nova-Park to achieve its goal of opening a new hotel every year.

Only rather more than a year later, Nova-Park needed a "provisional injection" of a modest \$1.5m while new equity could be raised. Total liabilities, covered only partially by assets, then amounted to some \$260m; as of December 31, 1983, auditors had put net indebtedness at SwFr 214m.

All sorts of things had gone wrong. First and foremost, there were substantial cost overruns in connections with new projects. This was particularly serious in the case of

the Gotham, which Nova-Park had originally intended to open in the summer of 1982 after an \$80m-plus renovation of the Edwardian hotel. Largely as a result of defects found in the building's structure, something like \$155m was spent, before work ceased on the project over year ago.

Costs also proved much higher than expected in Paris, while the projected Tourist Center Nova-Park Cairo site turned out to need extensive drainage work. The Cairo venture, on which more than SwFr 40m was spent, never reached the construction stage.

Added to this, financing methods raised questions. Dr Arthur Bezzola, who temporarily replaced Mr Hatt as managing director last year (Dr Bezzola was subsequently himself ousted), claimed there had been the use of "large sums of short-term money to finance

long-term projects." As if these factors were not enough, Nova-Park was hit by currency losses.

Last year saw a series of battles between shareholders of the Zurich parent company, with Dr Bezzola acting as a dissident's leader after the return to power of Rene Hatt in August. A good deal of the disagreement concerned the holding of shareholders' meetings, the dissidents calling for a full financial report and subsequently the appointment of a supervisory board. Despite an apparent settling of differences in October, when it seemed a "financial reorganisation" was assured, the fight was soon resumed. This week, an extraordinary meeting was held — after the board had appealed against its convening by court order — and the dissidents succeeded in their call for the depositing of a balance sheet, a formula aimed at halting corporate activities.

In recent months, creditors have become increasingly impatient. Just before Christmas, the local subsidiary of a German bank called for the opening of bankruptcy proceedings for a claim of SwFr 5.1m. The company was saved by the bell when a group of American investors provided the necessary sum and the court withdrew a corresponding bankruptcy order. However, Nova-Park was not granted the debt settlement agreement it had asked for.

Yesterday's bankruptcy ruling concerns much larger sums owed to the Zurich bank in the form of a SwFr 56m mortgage lien and some SwFr 3.5m in mortgage interest payments. This figure is over and above a total of more than SwFr 70m in other Swiss-registered claims by creditors.

Meanwhile, a recent New York court judgment is seen by German bank creditors as a green light for the sale of the Gotham, to which they lay claim, while a Paris court last month called on the Nova-Park Elysee operation to cover accumulated losses of SwFr 138.6m by June 6.

The only bright spot seems to be the very first Nova-Park, that in Zurich. In a rare communiqué, the parent company says the hotel—a tenant of the company—is, together with its fitness spa and other marginal operations, showing "excellent turnover." This is confirmed by Credit Suisse, which is keen on the hotel's continued existence.

Otherwise, it is virtually impossible to say what the situation of the group is. At an annual general meeting held—despite complaints from the dissident shareholders—in Paris last January, the board of the parent company reported a profit of SwFr 100,000 for 1983, following a profit of SwFr 6.4m in the previous year. These results, however, as well as being very much out of date, and not including any indications of turnover, have in some points been faulted by the erstwhile auditors.

Work is said to be going on on the 1984 figures. According to Credit Suisse, though, Nova-Park is currently without auditors, so this could take quite a time yet.

Nor is the effective ownership of the company clear. The same U.S. investors who saved Nova-Park from bankruptcy in December successfully recommended a "restructuring plan" to the Paris general meeting, the programme to be carried out by

a so-called investment holding company in which "existing shareholders will be offered a participation."

The London-based European Banking Company has been advancing on the reorganisation. As to the identity of the American investors, these are represented by Mr Ronald Oehl and Mr Philip di Santa, both of New York. According to dissident shareholder circles, they are connected to the Delaware-registered Elizabethan Realty Corporation, which last April tried to buy out the German bank's stake in the Gotham and to finance the hotel's completion. Also unclear is the state of the lien on certain group assets held by Tunis International Bank.

The Middle Eastern element appears to have remained quite strong, at least among the dissident shareholders. When a

### Directors re-elected

Zurich court rejected an appeal of Nova-Park this February against the convening of an extraordinary general meeting, most of the names of the original plaintiffs were Annhe.

The board of directors had resigned en bloc at the Paris annual meeting because of the "change in shareholdings"—but most of them, including Rene Hatt, were subsequently re-elected. Mr Hatt, it was stated, is to act as an adviser in the reorganisation programme.

As to the supervisory board, the directors feel this should not be appointed before they have a chance to show what they can do. This is a major reason for their opposition to the long-postponed Zurich extraordinary meeting. As yet, though, there has been little opportunity to see just what reorganisation plans are in the pipeline.

One last attempt to save the company failed yesterday. Mr Hatt, producing a telex message from Paris, told the court that a new group of investors was prepared to raise \$120m. The judge made no comment.

Bankruptcy ruling, P38



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The Bank is eager to appoint a new General Manager & Chief Executive to head the further development of its operations, formulating policies with the Board, leading and motivating a team of professional bankers, making sure the Bank's human resources are made best use of in a prudent, but friendly, manner, and generally taking a long-term view of the Bank's future.

They seek a professional banker, aged 48-58, who has had several years' experience in a senior banking role, working in sub-Saharan Africa. You will be a motivator, a communicator, and a mature, confident specialist.

Your rewards will be in the region of 57,000 Kwacha, a choice of free furnished family housing, domestic help and a chauffeur, and the chance to enjoy the sophisticated leisure facilities of a country which, thanks to its location, enjoys a tropical climate with a welcome cool season.

If your experience matches the Bank's requirements, and you are looking for a long-term career move, please write with detailed CV to: Aubrey Magill, PER Overseas, Rex House, 4-12 Regent Street, London SW1Y 4PP.



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**Eurobond Dealers**  
(S. DM)

**VP, Capital Markets**  
(Product Development)

**VP, Investment Strategy Planning**  
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**Credit Officers**  
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Please send Curriculum Vitae, photo, indication of current salary and salary requirements in confidence to the consultant responsible for these assignments: Ms L. Raffique, Associate Director, Jonathan Wren International, 170 Bishopsgate, London, EC2M 4LX. Tel: 01-623 1266.

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An expanding Saudi Company which deals with installation of all kinds of artificial surfaces for sports (Golf courses, running tracks, indoor and outdoor) seeking employment of the following:

**a) TECHNICAL SUPERVISOR**

Skilled and highly experienced with the following qualifications:

1. Good knowledge and background about all the chemicals which are used in synthetic sport surfaces like polyurethane and other related chemicals and sources of raw materials.
2. Long experience in mixing and installation of the material required.
3. Capability of forming, training and supervising groups of workers to mix and install materials.
4. Knowledge of English language, speaking and writing.

**b) PROFESSIONAL SALESMAN**

Has long experience in marketing of synthetic surfaces for sports and good English language, speaking and writing.

Only candidates who bear the above qualifications are asked to write to the following address attaching certificates supporting their applications:

GENERAL MANAGER, P.O. Box 22094, RYADH 11496, SAUDI ARABIA.

Successful candidates will be interviewed on the Company premises.

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Peter Stradling, Vice President, Europe  
RoyWest Trust Corporation  
P.O. Box 110, 1000 Lausanne 13, Switzerland

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Spaanseluis 38, 2012 HL Haarlem, Netherlands  
for the attention of Mr E. A. van den Brandhof

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**Kuwait Investment Company (S.A.K.)**  
Administrative Manager  
P.O. Box 1005 Safat Kuwait

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LOCATION: SYDNEY, AUSTRALIA

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Please phone Peter Thomson  
(London) 499 8811

All replies treated in strictest confidence







# Gencor Group

## Gold Mining Companies' Reports for the Quarter ended 31 March 1985

All companies mentioned are incorporated in the Republic of South Africa

### BUFFELSFONTEIN Gold Mining Company Limited

Issued capital - 11 000 000 ordinary shares of R1 each.  
- 12 400 156 non-cumulative preference shares of R1 each.

	Quarter ended 31.3.1985	Quarter ended 31.12.1984	8 months ended 31.3.1985
<b>Operating results</b>			
GOLD			
Mined (m³)	202 560	218 814	657 372
Ors milled (t)	864 000	878 000	2 630 000
Gold produced (kg)	7 077	7 620	22 756
Yield (g/t)	8.1	8.7	8.7
Working revenue (R/m milled)	178.49	189.18	155.36
Working costs (R/m milled)	94.96	82.67	82.67
Working income (R/m milled)	262.40	332.50	331.56
Working income (R/m milled)	93.53	98.30	82.49
Gold price received (R/kg)	20 038	19 498	19 565
Gold price received (R/kg)	206	336	331

The above figures include ore processed by Buffelsfontein Gold Mining Company Limited from the surface stockpile.

<b>URANIUM</b>			
Pulp treated (t)	806 000	769 000	2 363 000
Uranium produced (kg)	132.0	165.5	502.5
Yield (g/t)	0.23	0.22	0.21

<b>Financial results (R'000)</b>			
GOLD - Working revenue	154 217	148 526	434 896
- Working costs	73 438	72 759	217 951
- Working income	80 779	75 771	216 945

<b>URANIUM - Working income</b>	3 723	4 324	19 782
Tribute and royalties - net	7 841	5 672	17 485
Dividend received	3 600	3 600	3 600
Income before taxation and State's share of income	15 164	14 646	40 867
Taxation	1 132	1 151	3 158
Income after taxation and State's share of income	14 032	13 495	37 709
Appropriation for capital expenditure	14 032	13 495	37 709
Actual capital expenditure	14 032	13 495	37 709
Dividend declared	14 032	13 495	37 709

<b>Development - Vaal Reef</b>			
Advanced (m)	14 180	13 965	40 444
Advanced on reef (m)	833	918	2 556
Sampled (m)	854	679	2 412
Channel width (m)	59	59	191
Average value - gold (cm/gt)	21.7	20.2	18.5
- uranium (cm/gt)	2.154	1.778	1.880
- uranium (cm/gt)	0.251	0.222	0.222
- uranium (cm/gt)	74.64	63.52	66.13

<b>REMARKS</b>			
Capital expenditure			
Amounts approved not yet spent - R1 305 000			
Commitments in respect of contracts placed - R3 281 000			

<b>Dividend</b>			
A dividend of 375 cents per share was paid on 1 February 1985.			

<b>Shareholders' Share Development</b>			
Development on 27 and 28 levels to the east has proved the area to be extensively faulted in the reef plane, resulting in a lower than expected reef exposure to date.			

<b>Beatrice division</b>			
In terms of an agreement, Buffelsfontein mines the mining lease area of Beatrice Mines Limited, 16 per cent of the distributable income from this area is attributable to Buffelsfontein and 84 per cent to Beatrice Mines Limited, a company which was listed on the Johannesburg and London Stock Exchanges on 28 March and 1 April 1985 respectively.			

<b>Operating results</b>			
GOLD			
Mined (m³)	39 725	49 217	162 285
Ors milled (t)	384 000	218 000	699 000
Gold produced (kg)	2 043	962	3 363
Yield (g/t)	5.3	4.5	4.8
Working revenue (R/m milled)	131.26	91.14	91.14
Working costs (R/m milled)	241.02	241.02	241.02
Working income (R/m milled)	109.76	109.76	109.76
Gold price received (R/kg)	20 088	20 088	20 088
Gold price received (R/kg)	301	301	301

<b>Financial results (R'000)</b>			
GOLD - Working revenue	18 327	18 327	18 327
- Working costs	8 498	8 498	8 498
- Working income	9 829	9 829	9 829
Sundry income - net	6 759	6 759	6 759
Income before taxation	16 588	16 588	16 588
Taxation	1 030	1 030	1 030
Income after taxation	15 558	15 558	15 558
Appropriation for capital expenditure	15 558	15 558	15 558
Actual capital expenditure	15 558	15 558	15 558

<b>Development - Beatrice Reef</b>			
Advanced (m)	8 438	9 096	26 440
Advanced on reef (m)	2 312	2 312	7 198
Sampled (m)	1 781	2 180	8 477
Channel width (m)	62	62	62
Average value - gold (cm/gt)	16.7	16.9	17.4
- uranium (cm/gt)	970	904	965

<b>REMARKS</b>			
Comparative figures			
As income and expenditure up to 28 February 1985 have been capitalised, the financial results reflected above refer to 1 month only.			

<b>Capital expenditure</b>			
Actual capital expenditure includes interest and is reduced by working income from gold to 28 February 1985.			
Amounts approved not yet spent - R24 818 000.			
Commitments in respect of contracts placed - R5 401 000.			

<b>Dividend</b>			
A dividend of 150 cents per share was paid on 1 February 1985.			

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### Chemwres Limited

A subsidiary of Buffelsfontein Gold Mining Company Limited  
Issued capital - 1 000 shares of R1 each.

	Quarter ended 31.3.1985	Quarter ended 31.12.1984	8 months ended 31.3.1985
<b>Operating results</b>			
Pulp treated (t)	528 000	579 000	1 635 000
Uranium produced (kg)	125.1	125.1	375.3
Yield (g/t)	0.127	0.142	0.134

<b>Financial results (R'000)</b>			
GOLD - Working revenue	14 489	15 339	44 167
- Working costs	140	18 000	18 140
- Working income	14 349	15 159	44 027

<b>REMARKS</b>			
Capital expenditure			
Amounts approved not yet spent - R346 000			
Commitments in respect of contracts placed - R95 000			

<b>Dividend</b>			
A dividend of 118 cents per share was paid on 1 February 1985.			

<b>Shareholders' Share Development</b>			
Development on 27 and 28 levels to the east has proved the area to be extensively faulted in the reef plane, resulting in a lower than expected reef exposure to date.			

**WEST RAND**  
Consolidated Mines Ltd



Thursday April 18 1985

## No news is bad news

THE CALL from the Council of the Confederation of British Industry yesterday for a "controlled" fall in interest rates may well get a favourable answer in the next few days, since the Bank of England, even in its current mood—best described, perhaps, as "retired, hurt"—can only resist market forces for so long. However, even if the fall is uncontrolled, in a strict sense, it is likely to be grudging and inadequate, and will certainly come too late. British monetary policy seems to have got into one of its characteristic tangles, and it is becoming quite a pressing question whether it can be untangled in time to prevent real damage to the economic recovery on which both business and Government hopes are based. A few weeks of the world's highest borrowing costs and a 6 per cent loss of competitiveness can be endured; a few months will destroy confidence.

The cause of the present paralysis is not new; we have seen it before as recently as 1980-81, as well as on earlier occasions. Technically, the rules have changed, and in a confusing way, but at bottom, an over-funding crisis as very much the same as an ill-fated funding crisis. The point of both kinds of crisis is that the broadly-defined monetary statistics grow in a quite misleading and distorted way because of the efforts of the authorities to resist market forces.

### Transparent

However, where an old-fashioned funding crisis produced quite transparent distortions, as tap stock remained unsold while the cash balances of investing institutions built up in hope of lower share prices, the new one, as subtle, harder to detect and, what is perhaps most important, more embarrassing to the authorities. There was something to be said for a roomy reluctance to meet the market's demand for bargain stock, even if it sometimes proved self-defeating. The current attitude does not seem to be robust at all.

The psychological causes of the present squeeze are not the kind of influence which lead to subtle management, but they are understandable. The Chancellor has had to convince the markets that the controlled devaluation of sterling, which made exports more competitive, has been ended. The Prince

Minister seems to have taken the descent of sterling towards dollar parity as a personal insult, and the Bank of England has been quite deeply wounded by accusations of laxity last year. None of this would do much harm if it could be corrected simply by a short period of unambiguously tight policy.

The trouble is that "tight" is a very vague word in a world of floating exchange rates and multiple monetary targets. At the moment policy looks tight to a fault if it is judged by the exchange rate, by personal borrowing (down by two thirds since the first quarter of 1983), by housing starts (down sharply for the second successive year) or by real interest rates. But it still looks expansive if judged by corporate, not personal, borrowings, or by the growth of the broadest money aggregates. It is here that the authorities run into their Catch 22. They wait for good news on these fronts, but their policies help to prevent it happening.

We explained the process of arbitrage at some length in an editorial on April 1. It must suffice on this occasion to say again that over-funding—especially when money market rates are high—creates opportunities for risk-free profit for corporate treasurers by issuing bills for the Bank of England to buy and depositing the proceeds; this short-circuits the effect of gilt sales on the money supply.

This opportunity has been growing, for three reasons: higher profits enable a growing number of companies to borrow at the keenest rates; competition for funds has driven down the margins taken by the houses which arrange arbitrage; and salesmanship is always bringing in new players. Against this rising trend, it is hard to detect the unwinding of past positions.

Bank of England, faced with a distortion which it admits it cannot measure, insists that it is trivial. We would short-circuit this argument by saying simply that it is absurd to focus policy on numbers which are known to be distorted, whether trivially or not, and especially by means which provide an incentive to greater distortion.

In the long run, a less accident-prone technique must be developed, in which the authorities will respond to economic realities and market pressure with less display of sulkiness.

## The factions in Lebanon

THE COLLAPSE yesterday of the Lebanese Government of National Unity confirmed what was already obvious to most Lebanese—that the country is without either government or any form of national unity. Mr Rashid Karami sought as Prime Minister for the past 12 months to reverse the slide towards national disintegration but with each succeeding month it became clearer that the combination of internal dissension, economic decline and external interference was imposing impossible strains on what was from its inception a deeply divided Cabinet.

The immediate cause for Mr Karami's resignation was the fighting between the Amal Shiite militia and the Mouawitouni Sunni Moslem militia for control of West Beirut, a struggle which the Lebanese Army was powerless to prevent. The 15-hour battle, which appears to have left Amal victorious, did nothing to resolve the political future of Lebanon. But for Mr Karami himself, a Sunni Moslem, it must have destroyed any remaining confidence in Cabinet members who could participate in political discussions while simultaneously condoning contradictory military actions.

### Broader issues

This latest political failure in Lebanon can only reinforce the trend towards violent solutions: in Beirut, in Sidon and the south from where Israeli troops are withdrawing, and in the north around Tripoli where Syria holds military sway. At the moment no one Lebanese faction has the capacity to impose its will nationally but it would probably be wrong to conclude that cantonisation is therefore the most likely outcome to the tragedy.

Such an outcome would depend either on the main participants being broadly satisfied with the status quo or with an external power being willing and militarily able to impose it. Neither condition exists in Lebanon today.

Israel's military commanders are still attempting to come to terms in the south with the same group which reinforced its control yesterday of West Beirut, the Shi'ite militia, at least part of which derives its political inspiration from Ayatollah Khomeini and his

fellow clerics in Tehran. While many members of Amal may believe they have a principal role to play in Lebanon—where they are the largest single religious group—their successes or failures will be interpreted and used to demonstrate wider political purposes outside the country. Similarly, the allegiance of several hundred thousand Palestinians in Lebanon is intimately related to the struggle for control of the Arab world that Shi'ite militancy is a far more potent force than Arab nationalism and has already forced an Israeli withdrawal from the Golan Heights.

It is also advocating that universal suffrage should be introduced in Lebanon as a whole, which it believes would lead to the emergence of the Shi'ite East's second Islamic Republic. Syria, which is in tactical alliance with Iran solely on the Gulf war, could not possibly tolerate such a development and must be expecting Amal's further success with some apprehension. Yet, insofar as events in Lebanon can be used to underline Syria's critical role in future Middle East peace moves, the Damascus regime can be expected to take full advantage of them.

This intricate pattern of national self-interest emerging through what may appear on the surface to be third party disputes has never been better illustrated than in Lebanon. When it is wedded to the purely local interests of the Lebanese themselves, who after a decade of fighting appear to have lost all capacity for political compromise, Mr Karami's eventual resignation was all too likely. Although he has agreed to stay on as head of a caretaker government, it is the President Amio Gemayel that the country must again look for decisive leadership. But with Mr Gemayel's own Christian community split over the issue of Syrian political involvement his authority is less than it was. The outlook for Lebanon remains, tragically, as bleak as ever.

## BRITAIN'S TRADE UNIONS



Three faces of trade unionism: Moss Evans (left), Eric Hammond (right) and pickets during the miners' strike.

## The tail is no longer wagging the dog

By Philip Bassett, Labour Correspondent

His successor as Employment Secretary, Mr Tom King, agrees: "The days of trade unionism by conscription are over. Ordinary union members are no longer prepared to be taken for granted by their leaders." Conservative wishful thinking? No, according to Mr Eric Hammond, general secretary of the electricians' union. "Union power is only real if the members are prepared to back what the leaders ask for. In this case, they weren't."

Not only there. After their conference, dominated by militant activists, set a high pay claim, members of the largest civil service union, the CPSA, eventually voted not to strike. True, it was by the narrowest

margin. Gradually, the unions are starting to realise that employers are increasingly ready to use the pre-strike ballot provisions of the Government's 1984 Trade Union Act. Forced into ballots by employers, the days may be gone when the leadership of the National Union of Teachers, for example, could laughingly dismiss Press inquiries about whether their planned action had gone out to a membership vote as irrelevant. "In practice," a policy document considered by the TUC's employment committee yesterday soberly acknowledges, "this is the area of the law which is causing most difficulty."

That may be, if unions are willing to be sidetracked from pursuing their objectives into a legal row because they haven't asked their members, in practice, though many unions are not in difficulty because they are balloting exactly in line—if not more so—with the Act's specific requirements. And it can pay off. The NUT's action is now legitimate beyond argument, and stronger for it, the 100 per cent ballot vote in its favour.

Not all unions take the point—and the argument muddies traditional left and right-wing positions. Insisting that the union leadership draws its knowledge of members' mood from highly-attended branch meetings, Mr Fred Smith, general secretary of the right-wing NAS/NUW teachers' union, says: "We do have a genuine dialogue with our members which quite transcends anything from a ballot." Others, however, say the right-wing division of the National Union of Public Employees saw its recommendation in Labour's deputy leadership election in 1981 turned over by the members—and it responded positively. "Even since that time," says Mr Tom Sawyer, deputy general secretary, "we have been increasingly aware of the positive side of increased membership involvement in union decision-making."

The shift towards ballots, and greater compliance with the law, is happening. It's not just the legislation. As a recent TUC employment paper noted, there is an "apparent wish of many members for ballots in any event, regardless of the provisions of the law." The hard evidence bears this out. A recent MORI poll found that 75 per cent of union members backed secret ballots before strikes; a majority—52 per cent—even backed taking Government money for it. Ballots aren't the ultimate answer to every trade union problem, though, as the current row over ballot-rigging in the TGWU is making clear.

All the law in the widest dreams of a Department of Employment civil servants won't stop those implacably determined to alter a union ballot. One union official—now reformed—tells a story of how he manipulated a ballot. The important vote, was discovered, and threatened with a re-ballot, using a different system. "You can try," he told his accusers, "but I may as well tell you: there isn't a ballot method invented I can't rig."

The TGWU isn't an isolated case. In recent years, allegations of ballot-rigging have forced re-elections in the boilermakers' union, and most recently the foundry section of the engineering workers. The AUEW, too, only this week set up a further inquiry into alleged rigging in Birmingham South district of the union, when 36 votes were cast—34 of them for a Left-winger—at a branch meeting at which only 16 members were present.

on union executive elections which will come into force in October will add to the available legal remedies to counter this kind of malpractice. But Dr David Owen, leader of the Social Democratic Party, doesn't believe they will cure the problem. Pressing Mr King to amend the Act to bring in full, compulsory postal balloting as the only "fully fair and proper" union

votes can be carried out. Current Government thinking is perhaps surprisingly in accord with much feeling inside the TGWU on the issue—that the evidence, though worrying, is at present too insubstantial for remedial action of this nature. Equally unusually, the Institute of Directors agrees, with Mr Graham Mather, its policy head, arguing that the organic change presently taking place in unions should be allowed to continue. Organic change there is. Right-wing unions such as the white-collar Apex, the airline pilots Balpa and the Engineers' and Managers' Association are changing their rules to comply with the law. Not unexpected—but what is much more surpris-

ing is that left-led unions such as Mr Clive Jenkins' ASTMS and the National Union of Mineworkers are doing so. Even the TGWU, which refused to pay a £200,000 contempt fine arising out of a pre-strike ballot legal action (and saw the money duly set aside for not doing so) is trying to draw up a central list of its widely-dispersed membership, as required by the 1984 Act.

The effects of the balloting law are difficult to evade—but they're also likely to be difficult to repeal. Mr John Evans, Labour's employment spokesman, pledges that the next Labour government will repeal "every scrap of Tory anti-trade union legislation." Professor William Brown, lately of Warwick University's Industrial Relations Unit and now at Cambridge, is more doubtful in a forthcoming academic paper: "It would be electorally difficult for a future government to repeal legislation so concerned with upholding democratic procedures. Nor would trade unions necessarily welcome its repeal."

Now that they have passed through the fire of interval change, for many unions that may be true, some too, like the NUT, are starting to see the positive values of getting a good ballot result. There's no doubt in union leaders' minds of the importance of this in the ballots now beginning—again, required by the 1984 Act—to maintain unions' political funds, on which some 8.5m trade unionists will be eligible to vote in the coming year.

Though the EETPU and the AUEW taking advantage of the law providing money for postal ballots has ruffled the TUC's general secretary, it is foremost among those union leaders who, far from urging non-compliance with the law on political fund ballots, are campaigning strongly for a vote in the coming year.

The series of setbacks for the unions so far this spring has been serious. They may be permanent defeats; but for the unions, they don't have to be. Not everything—far from it—is in their hands. They may well be slithering a little further down a long, icy slope. But responding to their members must remain the key to their effectiveness.

The TUC's decision yesterday to maintain its policy of blanket opposition to the Government's labour laws, despite the edifying undercurrents against this stance from within its ranks, let alone from the example of local practices, may be little more than just trying to shore up the sandcastle against the tide; at some stage, the growing gap between theory and practice will become unbridgeable.

Whether the way forward for the unions is through industrial action, or through cleansing their own stables of malpractices, or through no-strike deals is a matter for argument; but one outcome of the failure of the miners' strike is that argument about unions' role is once again on the respectable agenda. Slow-moving, and little recognised, the TUC's strategy exercise—its reconsideration of what unions are for—rolls on, with a further conference on it later this month. It offers one concrete way forward, but in any case unions will have to do something, if only to keep up with the changes in their members' attitudes. Mostly, union pragmatism is permeating upwards, and unions have to adapt to meet it.

"The members must never be taken for granted," says Mr Tom Duffy, president of the AUEW. "The dog will clearly not accept any longer being wagged by the tail."

### Tait's nuclear team

If the joint venture between Westinghouse and the National Nuclear Corporation is agreed, Bruce Tait, aged 56, the chief executive designate will assemble a team of up to 15 expatriate British nuclear experts in Cheshire.

At present they are scattered around the world working for Westinghouse in Pittsburgh, Brussels, and other centres where reactor design is going on. Tait, a sandy-haired Scotsman who once worked for one of the NNC sections at Whetstone, is currently based in Brussels for Westinghouse. He commutes from his home on the Kent coast.

If the venture goes ahead Tait will install his team at Knutsford, Cheshire, where the partners plan a centre close to the headquarters of the NNC. This reverse brain drain is, of course, founded on hopes that Britain might be about to relaunch its nuclear construction programme following the exhaustive Sizewell B public inquiry.

As Westinghouse sees it, the inquiry failed to shake confidence in the safety or economic

### Men and Matters

case for its FWR in preference to the British advanced gas-cooled reactor.

Tait jokes about charges that the government and the CEBG have succumbed to high pressure Westinghouse salesmanship involving bribes of American FWRs. There were just two of them—both British—himself and an engineer called Mike Owen.

Ironically, although a staunch proponent of the Westinghouse FWR—there are about 55 generating electricity worldwide—one of his first jobs for the joint venture may be to help find a name which avoids the word Westinghouse for use in Britain.

### Smoke signals

The tobacco industry, still upset about the higher-than-expected increase in tax imposed by the Chancellor in last month's Budget, has been given a new cause for anxiety.

Lord Pitt of Hampstead, the Labour peer, has introduced a private members' Bill in the House of Lords designed to ban all forms of advertising of tobacco products. Such a blanket prohibition goes far beyond the restrictions proposed in earlier private members' Bills which failed to reach the statute book—and Lord Pitt's more radical measure seems to have even less chance of becoming law.

A more immediate matter of concern for the industry is that negotiations are expected to begin shortly with the Government on reviewing the present voluntary agreement restricting tobacco advertising, which is due to run out in the spring of next year.

The Government is under pressure to impose tougher conditions in any successor deals. Meanwhile the tobacco industry is bracing itself for the 3q yet unpublished Tobacco Products

(Sports Sponsorship) Bill, a private members' measure proposed by Mr Roger Sims, the Conservative MP for Chislehurst.

Westminster watchers observe that the anti-smoking lobby is now stronger than ever before.

### CBI choice

An impressive performance speaking up for Scottish industry as Scottish regional chairman of the Confederation of British Industry has helped David Nickson, aged 55, towards the CBI presidency.

The council nominated him deputy president yesterday. That means that in the smooth running way these things go in the top upper echelons, Nickson will serve from May as deputy under president Sir James Clegg, and will take over the top slot from Clegg in May next year.

Nickson is hardly known in London business circles, but has made his mark in the north as chairman of Scottish and Newcastle Breweries.

He also holds several outside directorships including the Clydesdale Bank, and serves on the Scottish Economic Council. Nickson is a product of Eton and Sandhurst. He then served in the Coldstream Guards. His first business experience was with publisher William Collins which he joined in 1954. He stayed with the group to become managing director. He joined Scottish and Newcastle in 1981 as a director.

A tall, outgoing man who, colleagues say, "gets on with people" Nickson likes nothing better than to relax in the country, he says, and is fishing, bird watching, and the countryside, and he is chairman of the Countryside Commission for Scotland.

### Home body

Michael Heseltine's choice as head of the Merseyside Development Corporation, Basil Bean, is to move south in August to become director-general of the National House Building Council.

The NHBG is often seen as a builders' cartel. But it is not. It is the body set up to protect home buyers against bad workmanship, and it will also be concerned, under Bean, with the thorny problem of putting up houses in areas considered environmentally difficult.

Bean's experience in Liverpool—where he was despatched in the wake of the Toxteth race riots—added to the skills he acquired in organising last year's International Garden Festival, on the edge of the city, should give him a head start.

Bean emphasises that he will not be joining the NHBG "to sit in a grand office under a grand ceiling" in its elegant headquarters near Regents Park. Equally, he will not be leaping into controversy with both feet. "I was brought up to believe you have to examine an organisation and see how it ticks and listen to its heartbeat before deciding if major surgery is needed," he says.

The council's present director-general, Andrew Tait, plans to get his golf handicap down and write books when he retires.

### Measured pace

What was the small, round object Australian officials and journalists noticed hanging from the belt of the visiting Chinese Communist Party chief, Hu Yaobang? A bleeper, perhaps?

Not at all. It was a pedometer, which measures the amount of exercise he takes. China's second-most powerful man, on a 12-day tour of Australia, is a man of regular habits. If he has not fulfilled his quota of steps at the end of each day, he takes a little stroll.

Observer



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## Russia under Gorbachev

# Why the time is now ripe for reform

By Patrick Cockburn in Moscow

Mr Gorbachev



IN THE weeks since Mr Mikhail Gorbachev's election as leader of the Soviet Union, newspapers in Moscow have been filled with accounts of the dismissal of local Communist Party chiefs. They give detailed descriptions of corruption and incompetence. The dismissals come at a particularly important time. President Chernenko died in March and Mr Gorbachev succeeded him at a moment which gives the new leader a good opportunity to promote the men he wants to run the country.

This is because the 27th Congress of the Soviet Communist Party is to meet at the end of this year or the beginning of next. The Congress, held every five years, sees the selection of a new Central Committee—the 300-strong body which, together with the Politburo, monopolises political power in the Soviet Union. All top jobs carry Central Committee status.

As General Secretary of the Communist Party, Mr Gorbachev will be able to ensure that the new Central Committee is more to his liking and not an inheritance, as at present, from President Brezhnev's long years in power.

The Politburo itself is down to 10 members, well below its nominal complement, and Mr Gorbachev is expected to promote some of his supporters to its ranks, possibly at a meeting of the Party Central Committee expected by East European diplomats in Moscow to take place on April 22 and 23.

Likely new Politburo members include Mr Yegor Ligachev, head of party personnel, Mr Eduard Shevardnadze, head of the Communist Party in Georgia and Mr Viktor Chebrikov, head of the KGB. Changes at a lower level have gathered pace since the beginning of the year when President Chernenko fell seriously ill and Mr Gorbachev took charge. This year, so far, 12 out of the 160 or so first secretaries of the district or republic Communist parties, which rule the Soviet Union, have been replaced though not all necessarily sacked. Three key ministers for oil, gas and electric power (energy absorbs one fifth of Soviet capital investment) have also been moved.

The replacement of senior personnel is likely to increase as the next Party Congress approaches with a minimum of 70 new faces expected in the Central Committee.

Equally important is the publicity surrounding the dismissals. The press has emphasised, possibly even exaggerated, the falling of local parties. In many cases, lack of enthusiasm for economic reform is linked to accusations of corruption.

The press is extremely powerful in the Soviet Union because of the absence of real political life outside the Central Com-

mittee of the party. It has emphasised that those dismissed must not simply be reappointed to other jobs. "Many leaders simply change seats from one armchair to another," said Pravda recently.

In a bizarre example of this, a man in Armenia, who specialised in the construction of zoos, managed to become managing director of four different enterprises in local light industry and consumer goods ministries through being on a Communist Party approved list. How far do these changes in personnel imply new policies? Attempts at economic reform in 1965 and 1979 under Mr Brezhnev foundered because they were not accompanied by the removal of those who were criticised for their resistance to change. By 1982, the year that President Brezhnev died, the average age of the 114 ministers who run the Soviet economy was 72.

During his brief tenure of power, Mr Yuri Andropov began to change this—but his reforms lost momentum as it became evident he was fatally ill. Mr Chernenko, who had replaced him, was hardly the man to alter significantly the system which he had done much to create, although he did not block changes.

The next year will show how far Mr Gorbachev is able and willing to change personnel and the policies they implement. His speeches, ever since he became a full member of the Politburo

in 1980, have emphasised that the quantity and quality of goods produced must be raised in agriculture and industry by payment for results.

It became clear in the 1970s—having successfully industrialised itself in the previous half century—that the Soviet Union was not proving able to raise productivity, introduce innovations, increase efficiency or improve quality at anything like the rate needed. Decentralisation, new technology and a changed incentive structure for management and workers were advocated, but little was done.

It was this need for real economic change in the Soviet Union which raised Mr Gorbachev to the leadership of the country only eight years after he came to Moscow as the party Secretary's agricultural expert.

There is a lot to do. Real decentralisation has been very limited as ministries have clung on to their authority over factory output and the current and capital budgets of individual enterprises. "Why is it that the minister, and not local miners or officials of the town of Vorkuta beyond the Arctic circle, decides whether or not the town needs a kindergarten?" asked Pravda recently. In Omsk district in Siberia, a study showed that the director of a state farm has 26 levels of management above him leaving him with total responsibility but negligible influence over his own enterprise.

Improvements in output, the

employment of new technology and increased productivity have all been hampered by the lack of material rewards for those who have introduced such changes. "Would the workers in the Ministry of Non-Ferrous Metallurgy or the Ministry of the Coal Industry be allowed their enterprises to get into such a difficult position if their own salaries had dwindled as a result?" asked a commentator recently. It is perhaps significant that Petr Lomako, the Minister for Non-Ferrous Metallurgy, is 81 and was first appointed to his post in 1940.

This year 200 Soviet schools and 300 training units will start using personal computers—but the manufacturing base for new technology has been neglected. Last week, the daily Izvestia published a letter from a man in Kazakhstan who was interested in electronics, but who complained that "in the city of Guryev where I live, there is not even the simplest micro-circuits, never mind electronic games—and our city is a large industrial centre."

These problems are long term and the present changes in personnel do not mean that the Soviet economy will be transformed overnight, but without new faces in charge, reform was never going to rise above the level of rhetoric. Mr Gorbachev, the Prime Minister, for instance, is 79 years old and in operational control of the economy and the bureaucracy. He is likely to retire soon.

Mr Gorbachev is fortunate that he has become General Secretary before the next five-year plan which will decide the priorities in the Soviet economy from 1986 to 1990—its firmly in place. This again improves his room to manoeuvre, though lack of investment capital means that the options are still narrow.

One third of Soviet capital investment is absorbed by agriculture with limited returns. With another 22 per cent being spent on the energy sector (though with much better results) this leaves limited capital available for the rest of industry where the emphasis is on re-equipping and reorganising plants rather than new construction projects.

The increase in U.S. defence expenditure means that the Kremlin is likely to raise its own arms spending, which, according to Central Intelligence Agency figures has only risen by 2 per cent a year since 1976.

Somewhere within the economy, Mr Gorbachev needs to achieve a breakthrough without markedly increasing investment. He has the advantage that because of the poor management of the economy since the late 1960s, gains can be made by displaying reasonable competence.

There is, for instance, plenty of scope for energy conservation. This has improved since 1982, but energy consumption per head is still 10 per cent higher than in West Germany which has a per capita gross domestic product twice that of the Soviet Union.

It will, however, be far more difficult to implement broader plans to raise productivity throughout the economy. The subsidised price of basic goods—in many cases unchanged over 20 years and a drain on the resources of the state—will probably stay the same. These subsidies, combined with the needs of agriculture, energy and defence, limit the scope for investment in the rest of industry.

Some of the rhetoric now employed by Mr Gorbachev about economic change in the Soviet Union is eerily reminiscent of Mr Harold Wilson in Britain in 1964. Reorganisation, professional management and technology were to transform British industry. Hungarian economists walked the streets. The ossified traditions of the past were to be swept away.

Such cynicism can be carried too far. This year will see the end of the dominance in the Soviet Union of the men who rose to power during industrialisation, the purges and the war. A profound generational change has occurred. This does not mean the Soviet system will be transformed—but significant reform is now feasible which was not the case when the "Old Guard" monopolised authority.

## Lombard

## Reassessing the policy of 'benign neglect'

By Philip Stephens

THERE HAS been a good deal of quiet self-congratulation in the finance ministries and central banks of Europe these past few weeks.

It has been coupled with a welcome realisation that governments no longer have to regard themselves as mere spectators of the world's money markets.

As the dollar has fallen sharply from its highs the central banks have been steadily replenishing the reserves they spent attacking the U.S. currency as part of the joint intervention policy agreed in January.

Official reserve figures for April will show that the Bank of England, for example, has now recovered virtually all of its share (perhaps around \$750m) of the total \$11bn spent in intervention.

And it has made a handsome profit into the bargain.

Other European central banks have been doing the same with discreet but regular purchases of dollars which have gone largely unnoticed on foreign exchange markets.

It has also become clear that the Group of Five accord on joint intervention was a much more precise arrangement than hitherto appreciated.

The finance ministers, for example, set specific currency or "cross" rates at which the intervention mechanism might be triggered.

These were not always consistent as in the case of the limits of \$1.10 for the pound and DM 3.18 for the D-mark and could not always be defended; but the fact that they were put down to writing does show that the agreement went far beyond anything in recent years.

The "talking down" of the dollar by Mr Paul Volcker, the U.S. Federal Reserve Board chairman, was also part of the package, though none of the Europeans presumed to try to write Mr Volcker's speeches.

It remains far from certain to what extent the intervention has been causal rather than coincidental in the dollar's decline since February. There are major players in the foreign exchange markets who would argue that the combination of slower U.S. growth and worries over the U.S. banking system would have anyway brought the dollar down.

But what is important is that the central banks and governments themselves appear to believe that they played a key role in persuading the markets that buying dollars was no longer a one-way bet.

And in the process there has been a sea-change in the way some of the more conservative governments of Europe see their role in the exchange market.

Britain provides the best, and most encouraging example. Until early this year Mr Nigel Lawson, the Chancellor, was commonly associated with the former hardline deputy at the U.S. Treasury, Mr Beryl Sprinkel, in the view that

West Germany, which has consistently played the most active role in co-ordinated intervention, shares Britain's doubts about the usefulness of the international monetary conference recently proposed by the U.S.

Both countries believe that such a meeting could raise false hopes of a new Bretton Woods-type arrangement.

At the same time while U.S. participation in the intervention marked for Washington at least a significant change of policy, the U.S. stance remains essentially minimalist (though that could change if the dollar keeps falling).

Nor is intervention regarded as a panacea which can be guaranteed to set off speculators in markets turning over tens of billions of dollars a day. Central banks openly concede that there was a fair dose of luck as well as judgment in the success of this year's operations.

But attitudes are changing. The horse laughs in some European capitals which used to greet the French idea for a series of world currency zones grouped around the dollar, EMS, and yen have been replaced by a much more subdued scepticism.

The current volatility of exchange markets and the evidence that currencies can "overshoot" for increasingly long periods have brought a painful re-assessment of the validity of "benign neglect".

The proposals to boost the surveillance role of the International Monetary Fund, currently under discussion by the Group of ten industrial nations, is a small step in the direction of much closer international co-ordination of policies to promote stable exchange rates.

It will take a great deal of time to persuade the free marketeers who hold sway in virtually every Western capital that they should get together to fix target zones for their exchange rates. But if the dollar does as much damage on the way down as it did on the way up and Britain finally plucks up the courage to join the EMS, in two or three years' time, the idea of a world monetary conference may not seem quite so empty.

### Lessons for unions

From the General Secretary, Electrical Electronic Telecommunication and Plumbing Union

Sir,—Philip Bassett's article "High stakes in TGWU 'ballot rigging' row" (April 16) records a scandal which has happened in our union, said Mr Terry Duffy, president of the AUEW yesterday—though Mr Evans hit back ardently by pointing out that the union movement's most notorious ballot-rigging scandal—the election of the AUEW in 1950—was carried out under a system of postal balloting.

I would not normally intrude into the affairs of another union but Mr Evans' assertion that simply untrue. Indeed, the end of the 1961 "ETU trial," Mr Gardiner, counsel for the plaintiffs, said: "There are two spheres of fraud in these elections. One is at the headquarter, the other is at the branch level. The arrangements proposed do not, in my submission, preclude fraud in the branches. The first and vital thing is to secure that the branch secretary sends to every member entitled to vote a ballot paper, and that he doesn't take one out of six out of its envelope and keep them in reserve, so that he can then pass them on to himself. If there is an order that the branch committee are to sit there night after night while the branch secretary sends out the envelopes, they won't in fact do it, and indeed they can't be made to do it—they have, of course, other things to do. . . . What is really important is that the member should be certain of receiving his ballot paper, which can be done only by his being sent it by some independent person, and that he should be then entitled to send it by post direct to that independent person."

Because the then rules of the ETU did not provide for such a fraud-proof postal balloting system, the judge could not agree although he admitted, . . . "If I had been called upon to palm trees I should have done precisely what he (Mr Gardiner) asked me to do."

The members of the ETU were opposed by the fraud committed by Communist officials but also recognised the vulnerability of the branch based election system to such corruption. They changed the union's election rules in 1983 to provide for:

ballot papers to be sent to each member by the independent Electoral Reform Society; ballot papers to be accompanied by election addresses for each candidate together with a pre-paid envelope to return the ballot paper to the Electoral Reform Society;

the Electoral Reform Society to count the votes in the presence of the candidates and report the result to the union.

### Letters to the Editor

Of course, the Communists were better organised in the ETU of the 1950s than in other unions but it was the branch-based election system that gave the "rigging" the opportunity.

The lesson of the ETU's exposed conspiracy was not one for my union alone but for the whole trade union movement. If the TGWU had heeded it, they would have "admitted" that they "rigged" their present disarray. E. A. Hammond, Hayes Court, West Common Road, Bromley, Kent.

#### A takeover custom

From Mr C. Whitney

Sir,—David Cohen's comments on Furniss v Dawson (April 13) are interesting in their relationship to that City practice of capital reorganisation of a company at the time of a takeover to "facilitate the implementation of the ordinary offer and to reduce the costs associated with it"—to use the words of a merchant bank in its recent letter to shareholders of the offeree company.

The bank has confirmed in conversation that its felicitous phrasing is synonymous with "non-payment of transfer stamp." I realise that the £23 transfer stamp I paid when buying my shares in a different league to the some £2.5m of the offer company! But 1 per cent is 1 per cent is 1 per cent and £2.5m is £2.5m to the Inland Revenue.

This common City practice, or takeover custom, is open to question on two fronts. Is the reorganisation of capital for the benefit of the company and therefore for a lawful purpose? Is the all-embracing "form of acceptance" a proper instrument of transfer under the Stamp Act 1891 and therefore liable to ad valorem stamp duty?

The bank has kindly passed my detailed argument to its lawyers. Meanwhile, I have exercised my right under the Stamp Act 1891, to have the form of acceptance adjudicated for ad valorem stamp duty. I await with interest the respective replies to see if "Mr Dawson" and "Mr Furniss" agree on the matter.

With regard to Mr Cohen's point about ISA and a 999 year lease is not the proper test the question. "Was the reality of the intention of the lessor to divest himself completely of the property?" i.e. there, pepper-corn apart, any com-

mercial difference between being the lessor rather than the vendor. If the answer is negative then could it not be argued that the lease is a "sham" for sale?

In this context, it is worth recalling the words of Lord Diplock in his speech in IRC v Burmah Oil (1981): "The Duke of Westminster's case was about a simple transaction entered into between two real persons each with a mind of his own, the Duke and his gardener." I do not think the Duke or his gardener were pretending to be other than what in reality they were.

Christopher J. Whitney, Oldstone Farm, Founhope, Hereford.

#### Sponsors and the arts

From the President, Actors Campaign Against Tobacco Sponsorship

Sir,—Peter Plowden's letter (April 11) is sadly correct when he states the Equity Council view on tobacco sponsorship "Money from any legal source is welcome. At the 1984 Equity AGM however, the membership passed a resolution condemning tobacco sponsorship, the council saw fit 'in the interests of the members' to set aside this decision."

If it is in the interests of Equity members to respectability and endorse products which are responsible for thousands of premature deaths annually including a number of Equity members then I am a monkey's uncle. But even so would think twice before encouraging his niece or nephew into such a dangerous habit as cigarette smoking. Warren Mitchell, c/o British Actors' Equity Association, 8, Harley Street, W.1.

#### Entertaining and travelling costs

From the Managing Director, Harcourt Financial Services

Sir,—Arthur Sandles' report (April 11) on the Inland Revenue tightening up on travel perks is part of the "game" played by a number of British managers in getting an extra "perk."

What many senior management in companies do not always appreciate is the extent of some of these perks. Many of them started with the 1970s pay freeze and pay restraint legislation. Very few companies have calculated what it costs

them in providing "all the perks." As many of these costs are hidden (that is, not specially identifiable) there is no budget for them and therefore rarely are they subject to annual budget examination.

The whole subject is tricky due to the complexities of remuneration packages (including formally agreed perks) and the involvement of some senior management in having to "review" their own cost to the company.

Reviews often unearth some unusual practices which the companies (ignoring the taxman) on ascertaining the facts wish to end for either cost control or business ethics reasons or just because it is bad management policy to allow such hidden practices to continue. D. A. Potter, Dunbar House, Radford Semele, Leamington Spa, Warwick.

#### Salaries and jobs

From Mr H. Ruff

Sir,—Michael Dixon's table at the centre of his article "Bonanza for key bankers and headhunters" (April 11) supports nothing more than the fact that the figures are based upon "the average of the salaries that people in various jobs said they were receiving when they applied through Wren for senior posts." It would be more illuminating to present an accompanying frequency table showing the number of jobs actually offered at those salaries by a random group of recruitment agencies and through the appointments columns of the Financial Times itself. I would hazard a guess that a very low frequency would appear. It would then be useful for Mr Dixon to carry out a little personal research by "telephoning around a random group of names that appear in the Euromoney Directory to inquire how often they had been 'headhunted' arbitrarily over say the last six months." I would hazard another guess and say the frequency was pretty high.

All this would go much further in supporting the contention that headhunters are out for easy pickings. It would provide ammunition to destroy the myth that there is a bonanza (except perhaps for recruitment agencies) and in a small way it may encourage employers to save themselves a lot of money by poaching (pronounced recruiting) staff directly by means of skillfully fingered the Euromoney Directory. If high quality staff is in short supply, the merry-go-round of poaching such staff should result in salaries actually approaching the levels indicated in Mr Dixon's table and may lead the more astute to consider training as the inexpensive option. H. J. Ruff, 4 Beaulieu Court, Hillcroft Crescent, W5.

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David Housego reports on a buoyant sector of the French wine industry

## Bouquets and bruises for Bordeaux

THESE ARE boom times for Bordeaux wine. Three good vintages in a row - 1981, 1982 and 1983 - have pushed up prices to an extent not seen for a decade.

Exports from Bordeaux, which accounts for about a third of French *appellation contrôlée* wine, were at a record last year, with the U.S. in particular buying more than ever. The few *cru classé* (main growth) vineyards which have been put up for sale have fetched prices which have left other chateau owners gasping.

However, among the shippers, merchants and brokers of Bordeaux - a city of long waterfronts which is still dominated by the wine trade - there is no sense of euphoria. Bordeaux is still haunted by the slump in prices of 1973-74, which brought heavy losses to the merchant houses (negociants) who carried large stock, and drove some out of business.

Since then, the negociants of Bordeaux have kept their stocks to a minimum. They have thus benefited relatively little from the doubling or tripling in price of fine Bordeaux 1982s, which have brought good cheer to chateau owners who bought them early and substantial capital gains to foreign importers and some chateau owners.

If anything, there is unease in Bordeaux that prices of the top *cru classés* have climbed too dizzily high and that speculators have tripled since they were first offered for sale in 1983. The 1982 Chateau Lafite-Rothschild and Chateau Latour - the two leading grands *cru*s of Bordeaux now sell within the wine trade in Bordeaux at FF 500 (554) a bottle. "At that price you don't open a bottle of wine for even your best friend or your mistress," says M Jean Paul Jauffret, head of the Dutch-controlled CVBG one of the largest Bordeaux negociants.

They are also wines which take at least 10 to 15 years to mature.

What the Bordeaux wine trade now fears is that the major vineyard owners will try to drive prices for 1984 and 1985 wines up above the 1983 levels. The 1984 vintage was of uneven quality and there are fears that 1985 could be affected by the hard frosts at the beginning of the year. It was the wine trade itself, continuing to force up prices despite a less good vintage, which brought about the slump of 1973-74.

The boom in Bordeaux wine has been due to a combination of exceptional factors. Mr William Blatch, the president of Vintex, a recently established firm of negociants, says: "It is a long time since we had three good vintages in a row. This has come at a time when the dollar was high and there has been more of a market for fine wine. It all coincided wonderfully."

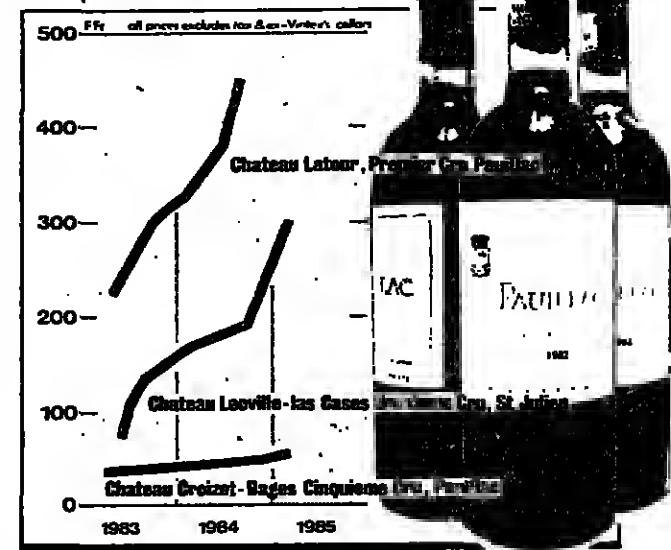
By general consensus 1982 was one of the great vintages of the century in Bordeaux. It was flanked by a good year in 1981 and potentially another exceptional year in 1983.

The market for good claret has been expanding - boosted in particular in the U.S. by the climb in the dollar, which has been trading at a rate of FF 9 or FF 10 of late, compared with little more than FF 4 in 1980. The result has been that for the top 30 or 40 *cru classés* prices for 1982 Bordeaux have doubled or tripled since they were first offered for sale in 1983. The trade price for a Chateau Leoville-Las Cases, a second growth Bordeaux, has thus moved up from FF 73 a bottle in June 1983 to FF 300 a bottle in March this year - when it was difficult to obtain.

Only a small number of negociants such as the French family-owned concerns of Moueix and Mme Jean Descaives, still hold substantial stocks and have thus reaped the potential capital gains.

### Bordeaux 1982

How prices rose



Most unloaded their 1982s as rapidly as they had purchasers for them - in contrast to the years before 1973-74 when such large negociants as Cruse and Ginetet purchased the whole output of chateaux to an extent which could exert an influence on prices.

Under the existing system, the major chateaux sell an initial 30-50 per cent of their vintage *en primeur* (when the wine is still in casks) in the spring or summer after the harvest. The opening prices are set by the vineyards, which position themselves according to their place in the hierarchy of *cru classés*.

Only a few chateaux have a policy of keeping large stocks - and those that do keep quiet about it.

The second change is that in the long-standing battle between the vineyard owners and the negociants, power has further shifted to the chateaux - a reversal of the situation in the 1930s.

The most dramatic sign of this shift of power has been the high prices at which good vineyards have been changing hands. Chateau Phelan-Segur, a grand *cru* bourgeois estate of 57 hectares, was recently sold for FF 45m. "I can remember purchasing the whole 1974 vintage at FF 7 a bottle," says M Hernandez, the price compares with the FF 12m that the Pearson group of the UK and its partners paid for Chateau Latour in the early 1960s.

It prefers, according to M Antoine Hernandez, head of SDVF (Société de Distribution des Vins Fins), the stable profits of less exceptional years such as 1979 to the

speculative risks which go with a great vintage like 1982.

Bordeaux's prudence, however, also reflects the fact that the Bordeaux wine trade is greatly undercapitalised in relation to its turnover or compared with the financial resources deployed by the large trading houses of the Champagne or Cognac regions. A good many vineyard owners complain that this weakness contributes to the uncertainty both of prices and profits.

The 1973-74 crash transformed the Bordeaux wine trade in two main ways. It led to a succession of failures, mergers and takeovers which have increased the influence of major groups or of foreign multinationals over the trade. Among the major houses, Dourthe and Kessman are now part of the Dutch-owned CVBG; Barton and Guesstier belongs to Seagrams of Canada; De Lurze was taken over by Remy Martin Cognac; and Cruse by Société des Vins de France. In all, some 30 to 35 negociants now dominate the Bordeaux trade.

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## THE LEX COLUMN

### Twisted threads round Tootal

For market astrologers, and other people who look at charts, the conjunction of today's PSBR figure in the UK with the U.S. statistic for GNP growth has been looking like a critical moment for the dollar and for sterling interest rates alike. If the stars are being read correctly, with optimism on UK public spending suddenly gaining ground while gloom about the U.S. financial system intensifies, base rate cuts today are a real possibility.

#### RTZ

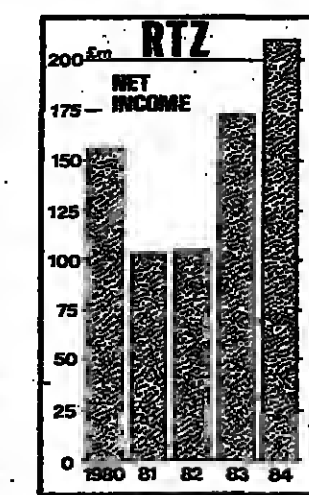
RTZ was refreshingly blunt yesterday about the unsatisfactory returns being earned on both its operating assets and its shareholders' funds. The problem is being tackled through a revamped management structure which looks remarkably like the new-look GEC. Unfortunately, RTZ has rather less control over its own destiny than the team at Stanhope Gate.

Yesterday's preliminary results, which showed a 22 per cent gain in attributable profits to £21m, demonstrated quite clearly the effect of exchange rates on both the revenue account and the balance sheet. Almost all of the £410m increase in term debt was attributable to the dollar, while just under half the earnings growth also came down to exchange rates, with Borax dollar earnings again strongly to the fore. In its metal operations, RTZ has almost no control over the price of the product and - in some instances - over the strategy of the local management. The industrial interests are a different matter and here RTZ is producing returns of capital in the 25 per cent area. But, for the market, RTZ remains a bet for the shares slipped 13p to 642p, where they stand on a bundrum multiple of 8½ times, assuming 1985 earnings of £225m.

#### Entrad/Tootal

J. Rothschild Holdings does not set out to be a transparent operator in the markets, but its late entry into the Entrad/Tootal affair is positively spine-chilling. If the U.S. practice of arbitrage in takeover battles has truly arrived in these shores, it seems to have passed through a looking-glass on the way.

After all, it is scarcely usual for an arbitrageur to enter a contested bid with the final offer on the table and all but no hope of a better one from elsewhere, before the closing date. If the bid succeeds, Rothschild



Holdings will show a small loss on its investment; but if it fails - which is apparently the RH intention - it is a fair bet that the Tootal price will fall back, in which case RH might just as well have bought more cheaply later on. RH is admittedly well protected by the Tootal yield, but this is evidently no ordinary portfolio investment.

It could be that RH is convinced that a third party will offer for Tootal as soon as the dust of the Entrad bid has settled. But it has been a feature of the present bid that Tootal has not appeared a particularly tempting target, as Entrad's cheapsheet approach well indicates, and Tootal would be something of a mouthful for the likes of Vantona.

While the RH stake would otherwise have ended with Entrad, arbitrageurs are a brutally even-handed lot and Tootal cannot be exactly relieved at the new entrant. It is conceivable that Tootal might now see some virtue in settling with Entrad at a price even higher than the 75p or so Rothschild Holdings paid; but it is not very conceivable.

The RH intervention quite overshadowed Tootal's brush with the Takeover Panel and Entrad's ingenious scheme to offer its shares in London. Since Tootal would be by far the largest part of the combined group, that looked a tempting way of allowing institutions to sell Tootal now and buy it back more cheaply later on. A rum business.

#### BPCC

Mr Robert Maxwell has been accused of many things, but seldom of adopting conservative accounting policies. So the changed treatment of closure costs in the BPCC ac-

counts - taking £1m above the line that would have been extraordinary last year - must be taken as a sign of the changing times; BPCC's recovery is evidently now so well established, that such luxuries can be afforded, as well as the lavish distribution of dividends.

At 194p - just 4p above the underwriting price for its Bishopsgate purchase last year - the BPCC shares are yielding almost 8½ per cent, which says as much about the remaining scepticism around the City as it does about BPCC's new found ability to throw off cash.

The quality of BPCC's after tax profit of £404m is perhaps more solid than the rating suggests, though the negative overall tax charge could not be achieved without group relief from Pergamon - a wasting asset, surely. Moreover, almost all of the increase in profits for 1984 came from BPCC's success as a redeveloper of its property portfolio.

While profits from this source can be extended for a few years yet, there will doubtless come a time when the group needs growth of more than £900,000 from printing, packaging and publishing.

#### AT & T

AT & T was made to look quite the ugly duckling during last year's British Telecom launch. The British company, so the argument ran, offered far superior growth prospects because it was not committed to the manufacture of obsolete products, attracted minimal domestic competition, enjoyed greater freedom to diversify and had more scope to improve labour productivity. These arguments are fully reflected in the relative ratings of the two companies and still hold good.

Yet AT & T's net income rose 56 per cent to £364m during the first quarter, thanks in large measure to sales of telecommunications equipment. The group is insuring itself against the shortages of semiconductors which damaged last year's results by acquiring a bottom-of-the-market manufacturing facilities from Honeywell, and is set to launch a range of microprocessors.

The 5.6 per cent reduction in long-distance tariffs announced yesterday should have a neutral short-term effect on earnings, since it is offset by the introduction of a line charge on subscribers, and may eventually benefit AT & T by narrowing the tariff gap with its competitors. Life at AT & T seems tolerably profitable after all.

## Nova-Park hotel group declared bankrupt

By John Wicks in Zurich

NOVA-PARK, the debt-ridden Swiss group which owns luxury hotels in Zurich and Paris, has been declared bankrupt by a court in Zurich.

The court application was brought by Credit Suisse, a major creditor with preferred claims of around SwFr 60m (£33.7m). Nova-Park's total debts are understood to exceed SwFr 200m.

Smaller claims against the company, which narrowly staved off an insolvency suit in December, were brought by two other Swiss banks, Banque Paribas and Bank für Handel und Effekten.

Nova-Park, drained of funds by financial difficulties, has been driven by boardroom in-fighting for nearly a year. Its colourful founder, Mr René Hatt, heads the management team.

The company's difficulties are rooted in the decision, taken nearly six years ago, to spend heavily on the renovation of the Gotham Hotel on Fifth Avenue, New York. As refurbishment costs mounted, Nova-Park ran out of cash. It subsequently lost control of the Gotham Hotel to creditors.

A bankruptcy ruling against Nova-Park was reversed just before Christmas when American investors met a SwFr 5.1m claim by Fortification and Finanz, a Zurich subsidiary of the German Badische Kommunalbank.

The judge did not comment yesterday on a last-minute statement by Mr Hatt that a new group of investors had been found who were prepared to put up \$120m.

The court judgment, against which Nova-Park can appeal within 10 days, followed an extraordinary general meeting of Nova-Park shareholders in Zurich.

A representative of the dissident shareholders, who have opposed the board since last summer, called at this meeting for the presentation of a balance sheet.

Battle reaches an end, Page 20

## Britain may make soft loans to boost share of China trade

By Christian Tyler, Trade Editor, in London

BRITAIN is considering whether to offer "soft" loans to China to match competition from other countries and boost the UK's small share of the fast-moving Chinese market.

The review of policy follows repeated demands from industrialists who have reported that Chinese buyers are now looking for credit at highly concessional rates of around 3 per cent.

It may also have been hastened by a report from Lord Young, a British minister without portfolio, who recently led a heavyweight trade mission to the country.

On Tuesday, the French Government signed an agreement in Peking providing FF 1.75bn (£189m) of mixed credits - combinations of aid money and commercial loans - in the hope of securing big telecommunications contracts.

Japan, West Germany, Italy and now France have already broken a five-year-old informal agreement among the rich nations not to extend soft loans to China.

A hint that Britain might join the credit race was given yesterday at a meeting of the House of Commons select committee on trade and industry, nine of whose members are to visit China shortly.

Mr David Hall, assistant secretary at the Department of Trade and Industry (DTI) responsible for trade with the Far East, confirmed that the Government was considering the question. He added, however, that requests for subsidised credit raised serious problems. The limited aid budget was under serious pressure and ministers believed it was in Britain's interest to sell as far as possible on commercial terms.

Lord Young pointed out recently that China, which has healthy foreign exchange reserves of around \$17bn, is paying cash for many of its high equipment orders and the UK should be able to compete on quality and price alone in the prime sectors.

However, an analysis by the DTI

released yesterday shows that since 1979 Japan has arranged "development" loans for China of over £5bn, on long repayment and at rates between 3 and 6½ per cent. They are being used for large energy, transport, telecommunications and industrial projects.

West Germany has offered more than £100m for shipping and a bilateral aid programme has been discussed. Italy was "rumoured" to be offering around \$100m of soft credit, and Denmark had advanced about £100m over 25 years, interest-free, in a mixed credit package. Sweden, Belgium, the Netherlands and Australia had also extended cheap loans or grants of smaller amounts.

Britain's present trade and aid budget is only £90m, or 5 per cent of the total UK aid programme. UK exports to China account for 3 per cent or less of all OECD country sales to the country.

Britain criticised over exports support, Page 7

## European groups to study Nato helicopter

By Paul Betts in Paris

FIVE EUROPEAN aerospace groups have signed an initial agreement to make a feasibility study for the construction of a new tactical transport helicopter for army and navy use.

The agreement involves the so-called Nato Helicopter for the 1990s (NH-90) project and links Aerospatiale of France, Augusta of Italy, Westland of the UK, Messerschmitt-Bölkow-Blohm (MBB) of West Germany, and Fokker of the Netherlands.

The French state-owned group said yesterday that the agreement between the five industrial companies had been signed on April 10 and that Aerospatiale had been chosen to co-ordinate the project with support from Augusta.

Aerospatiale also indicated yesterday that the defence ministers from the five European countries had shown interest in the proposed project earlier this year.

The recently signed memorandum of understanding between the five groups is the first stage in the long and tortuous process for such projects.

Michael Doune in London writes: Westland will participate in the studies without prejudice to its desire to see its own Westland W-30 acquired by the Ministry of Defence as the UK's troop transport helicopter replacement programme, named AST-404.

The latter is in an Air Staff Target prepared by the RAF to let the aerospace industries what it would like to see to replace the existing ageing Wessex and Puma helicopters in the RAF and army. The AST-404 would be needed earlier than any European NH-90 could emerge.

In addition to the Westland W-30 submission for AST-404, Short Brothers of Belfast, in conjunction with Sikorsky of the U.S., is submitting a version of the latter's Blackhawk, already extensively used by the U.S. but to be fitted with the Rolls-Royce RTM-322 engine.

The U.S. Army is strongly interested in the RTM-322-powered Blackhawk, and might buy it in quantity. Such a move might be jeopardised if the UK backed out of AST-404 and became fully committed to the European NH-90.

The UK agreed to enter the NH-90 studies earlier this year, although they had been in progress for some time. Its Defence Ministry's view was that it was better to be in such studies than out of them, but without in any way constraining the UK's own course of action on an interim helicopter purchase. Another reason for joining NH-90, at least in the next phase of feasibility studies, was that the UK, anxious to get the European Fighter Aircraft (EFA) rolling, did not want to be seen to be turning its back on European aerospace collaboration in any way.

## Lebanon chief to remain as caretaker

Continued from Page 1

Nasserite organisations following several days of tension with Amal units.

The Shian Amal militia, which has surrounded refugee camps since it gained control of West Beirut last year, has been searching them for weapons in the wake of reports that Amal loyalists were staging a comeback to the embattled Lebanese capital.

The House of Mr Nabih Berri, Amal's leader as well as Minister of Justice, in the densely-populated neighbourhood of Barbour was hit by four rockets and he and his family had to be evacuated. Druze militiamen moved during the night to seal off areas along the seafloor district and enable Shian Amal militiamen to close in on the Mouraitoun and their supporters.

## J. Rothschild buys into bid battle for Tootal

By Charles Batchelor in London

THE £125m takeover bid for Tootal, one of the big four British textile groups, from Entrad, the Australian textile concern, took a surprise new turn yesterday with the intervention of J. Rothschild Holdings, the UK investment company run by Sir Mark Rothschild.

Less than 24 hours before the climax of the 10-week bid battle, Rothschild disclosed that it had taken a 6.4 per cent stake in Tootal in a move that might help to defeat the Entrad offer.

Stock-market purchases by Rothschild of Tootal shares over the past 10 days have helped to underpin the Tootal share price, currently 74½p. Entrad is offering just under 74½p in the form of a 72½p cash bid and a promise to let Tootal shareholders keep a 1.87p dividend.

Rothschild emphasised that it was not taking sides but said it

thought the Entrad offer was inadequate and that Tootal's shares were attractive at their current price. It might buy more shares, it added.

The last-minute intervention of Rothschild left Entrad and Tootal both perplexed. Such interventions in takeover bids normally take place much earlier in the contest, when there is still the prospect of a further rise in the share price.

Rothschild's arrival on the field of battle came on a day already packed with incident.

The Takeover Panel stepped into the ring with a rap over the knuckles for Tootal for the way it had conducted its defence. The panel said Tootal should not have made its weekend claim that shareholders owning 35 per cent of its equity would support the company in rejecting the bid.

See Lex

## Manufacturers Hanover up 19%

By Paul Taylor in New York

MANUFACTURERS HANOVER, the fourth-largest banking group in the U.S., yesterday reported a 19.3 per cent gain in first-quarter net earnings, while First Interstate Bancorp, posted a 12.2 per cent gain.

The latest results complete the set of earnings releases from the leading U.S. banks - a set of generally sparkling results which have seen net earnings at nine of the 10 largest banks increase by an average of more than 17 per cent to almost \$1.15bn, and only First Chicago post a year-on-year earnings decline.

Manufacturers Hanover said first-quarter net earnings grew to

\$100.2m or \$2.01 a share from \$84m or \$1.88 a share a year ago.

The New York-based banking group said first-quarter earnings reflect a 22.3 per cent increase in net interest revenue to \$540.4m and a 22.5 per cent or \$38.1m increase in non-interest revenue. A higher provision for loan losses which grew to \$108.7m from \$62.5m a year earlier partially offset these gains.

First Interstate, whose net earnings increased to \$115m or \$1.57 a share from \$63.7m or \$1.32 a share, also noted that much of the gain came from higher net interest income.

More U.S. bank results, Page 27

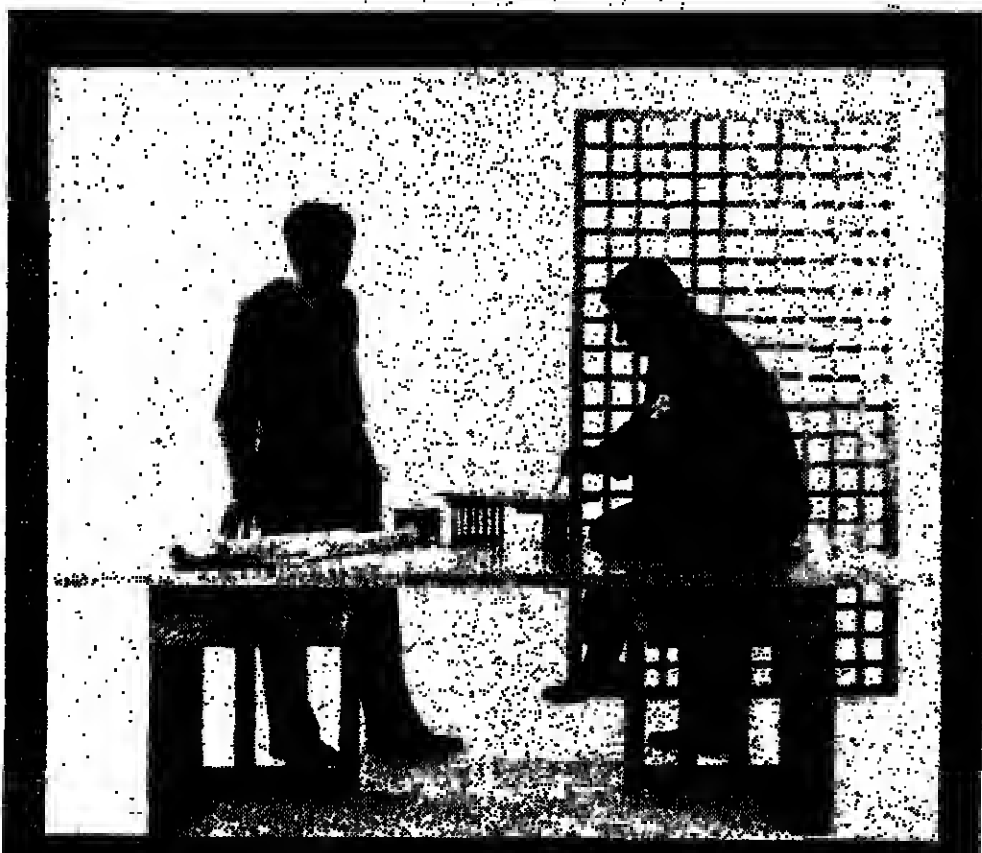
## World Weather

	°C	°F		°C	°F
Amman	18	64	London	14	57
Algiers	21	70	Madrid	17	63
Athens	21	70	Moscow	10	50
Bahia	24	75	Nairobi	12	54
Bombay	28	82	Paris	14	57
Buenos Aires	21	70	Rome	14	57
Calcutta	31	88	St Petersburg	10	50
Cairo	28	82	Tokyo	12	54
Cardiff	12	54	Washington	10	50
Chennai	28	82	Zurich	12	54
Columbus	28	82			
Dublin	12	54			
Hong Kong	28	82			
Los Angeles	21	70			
Manila	28	82			
Mexico City	21	70			
Mumbai	28	82			
New Delhi	28	82			
Perth	21	70			
Rangoon	28	82			
Singapore	28	82			
Taipei	28	82			
Tel Aviv	28	82			
Yokohama	12	54			

Headings at end of yesterday's

C-Clearly D-Drizzle F-Fog G-Grey Rain S-Sun

Sh-Shower T-Thunder U-Unknown



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## Amex profits advance in line with expectations

By Our Financial Staff

AMERICAN EXPRESS, the fast-growing financial services, insurance and international banking group, yesterday reported a 30 per cent increase in first-quarter net profits, in line with the company's expectations.

Earnings rose from \$118.2m, or 94 cents a share, to \$151.8m, or 97 cents a share, while revenues advanced from \$2.89bn to \$3.44bn. The profits rise would have been much higher without a tax provision of \$51.4m, against just \$5.5m in the 1984 period.

The results further extend Amex's earnings recovery following problems in its Fireman's Fund insurance subsidiary at the end of 1983. In the latest quarter, insurance services registered net income of \$9.3m, against \$10m a year earlier, and property liability operations had a loss of \$4.1m compared with a profit of \$5.5m.

However, Amex said prices continued to rise significantly throughout the property liability industry and the claim count for Fireman's Fund continued to decline as a result of a programme to tighten underwriting criteria.

Amex said its travel-related services unit lifted first-quarter net income from \$71m a year ago to \$86m. It said 20.7m cards were in force, up 15 per cent over last year.

Profits in the investment services rose from \$25m to \$31m. The current quarter includes the effect of Lehman Brothers Kuhn Loeb, which Amex acquired in May 1984. In the international banking division, net income rose slightly to \$38.6m.

## Control to change at Turbo Resources

By Bernard Simon in Toronto

A GROUP of financial institutions, headed by Canadian Imperial Bank of Commerce, is to become majority shareholder in Turbo Resources of Calgary, under a restructuring plan announced by the debt-burdened energy company.

The proposals will reduce Turbo's debt from C\$740m (\$546m) to C\$319m and give the lenders a 68.5 per cent stake in the company.

A group of European debenture holders will end up with a 8.7 per cent equity interest. Creditors are expected to sign the restructuring agreement by the end of April.

CIBC will hold C\$230m of the company's debt after the reorganisation. The next biggest private sector creditors will be Continental Illinois' Canadian subsidiary and Canada Trustco, each with C\$55m.

The federal and Alberta governments will receive a combination of debentures and non-interest bearing notes valued at C\$53m.

Turbo suffered a net loss of C\$105m in 1984, due largely to interest payments of C\$67m. The company's main assets are a refinery in Alberta and about 215 fuel distribution outlets in western Canada.

## Major U.S. computer groups up

By Our Financial Staff

TWO major U.S. computer manufacturers, Honeywell and Burroughs, produced higher net profits for the first quarter of 1985.

Honeywell lifted profit from \$38.6m, or 84 cents a share, to \$46.2m, or \$1 a share, on sales of \$1.48bn, against \$1.38bn a year ago.

Earnings were boosted by substantial advances in aerospace and defence products, while results for information systems also increased.

Last year's results included a one-time loss of \$5.4m on discontinued operations.

Burroughs showed an advance in earnings from \$43m to \$46.6m, or from 95 cents to \$1.03 a share, on sales of \$1.17bn, compared with \$1.08bn a year ago. Income in the latest quarter was, after a charge of \$3.1m, related to some restructuring.

The company said commercial orders in the U.S. were relatively flat but strengthened towards the end of the quarter.

International orders were very strong in local currencies and up modestly in dollar terms.

Apple Computer, the U.S. personal computer maker, meanwhile saw growth slow in its second quarter to March. Earnings rose from \$9.13m, or 15 cents a share, to \$9.98m, or 16 cents a share, taking the six months' total from \$14.95m, or 25 cents a share, to \$26.08m, or 91 cents a share.

Sales for the half-year for the company jumped to \$1.13bn, up from \$610m, with a rise to \$435m in the latest quarter from \$360m.

## Champion ahead after acquisition

By Our Financial Staff

CHAMPION International, the major U.S. forest products group, posted a 50 per cent increase in first-quarter profits, due substantially to the contribution from St Regis, acquired last year for \$1.8bn.

Net earnings jumped from \$29.1m, or 46 cents a share, to \$43.1m, or 63 cents, on increased shares outstanding. For 1984 the company reported a \$8m loss following a \$150m write-off related to restructuring of the building products business. First-quarter sales rose from \$1.15bn to \$1.65bn.

Mr Andrew Siegler, chairman and chief executive officer, said Champion and St Regis were now fully merged. The company was actively negotiating several divestitures.

Operating profits in the company's paper segment jumped from \$60m in the 1984 period to \$113m. Results for publication papers continued to improve, but newspaper results were lower.

In the packaging segment, operating results were \$24m, up from \$8m a year ago but down from \$32m in the 1984 fourth quarter. The company said overall demand for containers softened during the first quarter.

Operating profits in the building products segment were down from \$10m in the 1984 period to \$6m.

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## Senior executive at Ericsson resigns

By Kevin Done, Nordic Correspondent, in Stockholm

MR FRITZ STAFFAS, the chief financial officer and controller of Ericsson, the Swedish telecommunications and business information systems concern, is to leave the company in the autumn.

The announcement of his departure caught financial markets by surprise. It comes at a time when the group is trying to rebuild its image following disappointing financial performance in 1984.

Ericsson suffered a 10.7 per cent drop in profits last year and fell heavily into loss in one of its most important business areas, information systems, which accounts for around one third of turnover.

The drop in profits came as a shock to investors, who had been assured as late as October that profits were expected to rise by around 20 per cent in line with earlier forecasts.

His share price plunged and despite a recent modest recovery it is still trading at around more than 40 per cent below the 1983 peak.

Mr Staffas said last night that he was to become president and chief executive officer of Philipson Invest, a group which was launched on the Stockholm stock exchange in December 1983 and has interests in car distribution, property and construction management.

It has sales of close to SKr 2bn (\$227.2m) and is the general agent in Sweden for Mercedes Benz and Nissan.

Operating profits in the company's paper segment jumped from \$60m in the 1984 period to \$113m. Results for publication papers continued to improve, but newspaper results were lower.

## Shareholders in CIR back capital lift

By James Buxton in Rome

SHAREHOLDERS in CIR, the financial and industrial holding company controlled by Sig Carlo de Benedetti, chairman of Olivetti, have approved yet another increase in the company's capital - the 12th since Sig de Benedetti took control in 1976.

The capital increase - through a rights issue which takes share capital up from L112m to almost L134bn (\$697m) - underlines the fast growth of the company, whose net income rose 40 per cent in 1984 to L26.8bn or of L133bn.

Sig de Benedetti told shareholders that CIR had earlier this year paid only L25bn for control of the Buitali foods group, whose sales in 1984 reached L103bn.

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## Eastern Air Lines in black

By Our Financial Staff

EASTERN AIR Lines, the Miami-based carrier, returned to the black in the first quarter, posting profits of \$24.3m, or 35 cents a share, compared with a loss of \$28.1m, or 97 cents, last time. Revenues rose from \$1.07bn to \$1.22bn.

Eastern reported a 1984 net loss of \$37.9m, including a \$46.8m charge to pay for shares issued to employees. The loss was its fifth consecutive annual deficit.

The first-quarter net figure comes after taking a \$28.9m reserve for the 1985 profit-sharing plan.

The airline now expects profits for this year to exceed \$80m - the level at which the employee profit-sharing plan begins.

This announcement appears as a matter of record only.

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The Investment Manager is IFB Management Corp., a wholly owned subsidiary of  
**The Ivan F. Boesky Corporation**

**US \$50,000,000 Secured Floating Rate Notes due 1992**

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**Morgan Guaranty Ltd**    **Standard Chartered Bank**

**Banco di Roma**  
London Branch

The undersigned acted as advisor to the issuer

**SELIGMANN, HARRIS & CO.**  
Members of The Stock Exchange

January 1985

## SEC warning on securities

By Terry Dodsworth in New York

MR JOHN SHAD, chairman of the U.S. Securities and Exchange Commission, told a Senate committee yesterday that the recent failures of two Treasury bond dealing firms "may exacerbate" problems in the government securities market.

The problems could cause additional failures as customers pulled out of small government securities firms and took their business to the major dealers in the market, he said.

Mr Shad made his remarks in hearings called after the collapse of ESM - Government Securities of Florida, and Bevil Bresler & Schulman of Livingston, New Jersey. In the wake of these two failures "a real reaction of enormous proportions is going on right now in the marketplace," he added.

The comments of the SEC chairman, who has regulatory responsibility for sections of the securities markets, underlines the fears that the recent collapses could have a knock-on effect on other dealers. Analysts have warned that customers could be tempted to withdraw commitments from the smaller trading houses to invest in the safety of bigger and more strongly capitalised dealers.

In total, losses at ESM and Bevil Bresler have been estimated at around \$500m, although officials appointed to sort out their affairs still have to conclude their investigations. The SEC is thought to be examining as many as 100 companies dealing in the securities repurchase market which lies at the centre of trading in Treasury issues.

**UNEMPLOYMENT BENEFIT CLAIMANTS QUESTION**

**ONE DAY, ALL THIS COULD BE YOURS**

Suppose - just suppose - that a future Government made private industry responsible for paying the unemployed. An absurd suggestion, you might think. Yet not beyond the bounds of possibility just consider how much responsibility successive Governments have passed on to the private sector for tasks traditionally borne by the state.

From VAT to Statutory Sick Pay, private industry has become more and more the administrator and executor of Government financial policy.

Unlikely perhaps, but then certainly logical that the private sector could be asked to play a direct role (rather than indirect, via taxation) in supporting those not required to work.

And, of course, to handle the complex administration as well as payment of unemployment and related social security welfare benefits.

At the same time, the shape of the labour market and the factors influencing it are changing dramatically. Unemployment continues to rise, automated production methods grow apace, and schemes like job-sharing become more and more common.

Perhaps most significantly of all, the overall trend is away from a labour-intensive economy to a knowledge-based economy.

All in all, the organisation of work and the part it plays in human life will become far more flexible, more complex and more demanding in the future.

And the requirement for skilful, effective human resource management will become essential. As will the computer-based systems to back that management. Systems that will be crucial to your company's future.

Systems that are in fact available to forward looking businesses today.

If you are serious about the future of your business, shouldn't you find out more about these systems? Because without them, you could soon find yourself having to deal with far more than you might ever have imagined.

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# Sun Life: Continued strong growth

Results from Sun Life Assurance Society plc for the year ended 31st December 1984.

## Salient Points:

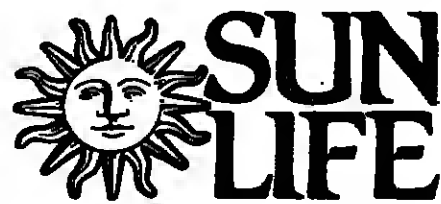
- Premium income rose by £26m to a total of £416m.
- Total group funds exceeded £3bn for the first time, reaching £3,267m by 31st December, 1984, an increase of £530m.
- Transfers of surpluses to shareholders rose by a record £2.0m to £10.9m, 23% up on 1983.

Results	1984	1983
	£000s	£000s
Revenue account transfer:		
Proprietors' share of profits	9,318	8,282
Sun Life Assurance Society plc	1,170	500
Sun Life Pensions Management Ltd	420	75
Sun Life Unit Assurance Ltd	10,908	8,857
Proprietors' investment income	1,688	1,608
Expenses	12,596	10,465
Employees' Profit Sharing Scheme	133	111
Taxation	498	362
Proprietors' profit for year after tax	301	341
Balance brought forward	11,664	9,651
Subsidiary company adjustments	7,299	7,120
	2	31
Dividends: paid	18,965	16,802
declared for payment	4,551	3,737
Balance carried forward	7,020	5,766
	7,394	7,299

● A record £94m was distributed to policyholders as bonuses, double the distribution made four years ago.

● The final dividend of 12.00p per share makes a total for the year of 19.78p an increase of 20% on 1983.

For a copy of the 1984 Report and Accounts of one of the country's most successful life offices, contact: Alan Bell, Sun Life Assurance Society plc, 107 Cheapside, London EC2V 6DU Telephone: 01-606 7788



A major force in British Life for 175 years

NEW ISSUE

All these securities having been sold, this announcement appears as a matter of record only.

April, 1985

## Republic of Austria

¥30,000,000,000

7 per cent. Bonds due 1995

The Nikko Securities Co., (Europe) Ltd.

Daiwa Europe Limited

IBJ International Limited

Nomura International Limited

S. G. Warburg & Co. Ltd.

Credit Suisse First Boston Limited

Manufacturers Hanover Limited

Mitsui Trust Bank (Europe) S.A.

Yamaichi International (Europe) Limited

Creditanstalt - Bankverein

Genossenschaftliche Zentralbank AG Vienna

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Österreichische Länderbank A.G.

U.S. \$25,000,000



Bergen Bank A/S

(Incorporated in the Kingdom of Norway with limited liability)

Floating Rate Capital Notes Due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 18th April, 1985 to 18th July, 1985 the Notes will carry an Interest Rate of 9% per annum. The interest amount payable on the relevant Interest Payment Date which will be 18th July, 1985 is U.S. \$22.75 for each Note of U.S. \$1,000.

Credit Suisse First Boston Limited  
Agent Bank

Lloyds Eurofinance N.V.

(Incorporated in the Netherlands with limited liability)

U.S. Dollars 250,000,000

Guaranteed Floating Rate Notes due 2004

Guaranteed on a subordinated basis as to payment of principal and interest by



Lloyds Bank Plc

(Incorporated in England with limited liability)

In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Plc and The Chase Manhattan Bank, N.A., dated 16th April, 1984, notice is hereby given that the Rate of Interest for the Interest Period has been fixed at 9 1/4% p.a. The relevant Interest Payment Date is 18th October, 1985, (making an interest period of 183 days) and payment of US\$231.93 will be made against Coupon No. 3.

18th April, 1985  
By: The Chase Manhattan Bank, N.A., London, Agent Bank



Malayan Banking Berhad

US \$60,000,000

Negotiable Floating Rate Dollar

Certificates of Deposit due 1987 Tranche B

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 18th April 1985 to 18th July 1985 has been established at 9 per cent per annum. The interest payment date will be 18th July 1985. Payment which will amount to US \$5,687.50 per Certificate, will be made against the relative Certificate.

Agent Bank

Bank of America International Limited

U.S. \$400,000,000

National Westminster Finance B.V.

(Incorporated in The Netherlands with limited liability)

Guaranteed Floating Rate Capital Notes 2005

In accordance with the provisions of the Notes, notice is hereby given that for the six months Interest period from 18 April, 1985 to 18 October, 1985 the Notes will carry an Interest Rate of 9 1/4% per annum. The interest payable on the relevant interest payment date, 18 October, 1985 against Coupon No. 1 will be U.S. \$463.85

By The Chase Manhattan Bank, N.A., London  
Agent Bank

## INTL. COMPANIES & FINANCE

### Thomson may break even for 1984

BY PAUL BETTS IN PARIS

THOMSON, the French nationalised defence and consumer electronics group, expects to break even or show a small group loss of up to FF 50m (\$5.4m) for 1984 after a loss of FF 1.25bn in 1983 and FF 2.2bn in 1982.

M. Alain Gomez, the chairman, also said Thomson CSF, the defence subsidiary 51 per cent held by the group, would raise in the next few weeks FF 3bn in fresh funds through a convertible bond offering to consolidate and strengthen its financial position.

About FF 2.5bn would be raised on the French market.

The remaining FF 500m would be raised on the Eurodollar market.

M. Gomez also confirmed that after the completion of the telecommunications asset swap with the nationalised French CGE group, Thomson would shed its civil telecommunications to CIT-Alcatel, the 85 per cent owned telecommunications subsidiary of CGE. In return, Thomson would receive a stake of between 10 and 15 per cent in CIT-Alcatel from CGE.

The CIT-Alcatel transaction is the final chapter in the two-year restructuring of the French telecommunications industry

which has seen France's main telecommunications manufacturing assets placed under the umbrella of CIT-Alcatel.

M. Gomez justified the decision saying that Thomson was in no position to compete in its own in the telecommunications business and that the merger was the only viable solution for the French industry.

M. Gomez also seemed confident that Thomson would consolidate its financial recovery this year. Thomson is the latest of several French nationalised groups to have returned to profit or managed to break even

after sustaining heavy losses in past years.

Thomson's performance has been buoyed in recent months by major defence orders from Saudi Arabia. The company is now in the running for a major \$4.5bn U.S. army contract. Thomson's group sales totalled FF 57bn last year of which 61 per cent involved exports. In 1983 sales totalled FF 53bn. New orders rose from FF 50bn in 1983 to FF 83.5bn last year.

The group's Thomson CSF subsidiary expects to report net earnings of FF 300m for 1984 compared with a loss of FF 810m in 1983.

### Grundig to cut jobs after loss

BY JOHN DAVIES IN FRANKFURT

GRUNDIG, the West German audio-visual concern, is gearing up to launch the next stage in its restructuring measures, including more job losses, after reporting a deficit of DM 50m (\$81m) for the year ended March 1985.

The company, which came under the management control of Philips of the Netherlands a year ago, increased sales by 2 per cent to DM 2.83bn in 1984.

Its latest loss is, as forecast, DM 100m lower than the DM 286m deficit ascribed by Philips to 1983-84, which was

the company's last financial year under the control of Dr Max Grundig, its founder.

Mr Hermann Koning, the Dutch chief executive sent in by Philips, said that latest loss included the DM 50m cost of restructuring measures already taken.

The management board had decided on the next measures and would soon make them public, he said. If they were carried out according to plan, Grundig could return to profitability by the end of 1986.

There have been reports for

months that Grundig might eliminate a further 7,000 jobs at its West German and foreign factories, but Mr Koning said he hoped that the job losses would be fewer than this.

Grundig's labour force declined by 4,000 in the last financial year to 24,000—a far cry from the peak of 38,000 in 1979.

Referring to Grundig's six plants in West Germany, Mr Koning said that two factories were endangered, while a solution "which does not come from us" was shaping up for a third plant.

### Johnson group may sell units

STOCKHOLM - Sweden's largest private conglomerate, the Axel Johnson group, may have to float off parts of its diversified empire after running up record losses last year.

While all of Sweden's other family-owned companies have moved abroad or sold shares to the public to avoid crippling inheritance taxes, the Johnson family has jealously guarded control of the company it founded in 1873.

But yesterday Mr Bert Magnusson, head of the group's Nordstjernan arm, said a capital-raising public flotation of part of the group might be needed.

Nordstjernan, which employs 23,000 people, reported pre-tax losses of SKr 483m (\$53m) for 1984 against profits of SKr 360m in 1983. The unit is involved in shipping, construction and steel sectors hit hard by recent slumps.

The other pillar of the organisation is A. Johnson and Co. involved in special oil projects, commodity trading, steel, plastics and chemicals.

A. Johnson has not yet published its 1984 results. Traditionally slightly more profitable than Nordstjernan, it reported pre-tax profits of SKr 61m in 1983.

Presenting the results Mr Magnusson said Nordstjernan would be slimmed down to concentrate on a narrower range of activities and promised that such losses would never be repeated.

"No part of the group will be left untouched. Both the number of products and the number of employees will be reduced," he said.

As for the Johnson group officials, before a tax loophole was closed last year to prevent more privately-owned companies moving abroad, the question of ending itself had not come up since it had never made large profits.

Reuters

### Renault truck deficit increases

BY OUR PARIS STAFF

RENAULT Vehicules Industriels (RVI), the large truck subsidiary of the French state-owned Renault car group, reported yesterday increased losses of FF 3bn (\$244m) last year compared with a loss of FF 1.95bn the year before.

But M. Philippe Gras, the new chief executive of the truck company, claimed that the Renault subsidiary had now started a gradual recovery.

He blamed the increased losses on financial charges and other exceptional costs. By contrast, operating losses had been held at around the same level of FF 1.1bn of the year before.

M. Gras also denied speculation that Renault may now be envisaging abandoning the truck market. Since M. Georges Besse was appointed chairman of the troubled state-owned car group there has been considerable speculation about the group's future strategy.

So far, however, M. Besse has taken no final decisions but has been conducting a major review of the car group's diverse and worldwide operations. Despite M. Besse's continued silence about his intentions, the new chairman is understood to have placed as his top priority the reduction of the group's losses (expected to total about FF 10bn or more in 1984) and the reduction of its huge debts.

As for the RVI truck division, M. Gras said that the subsidiary planned to cut losses this year by several millions of francs and hoped to break even in 1988.

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120m and non-voting shares from SwFr 50m to SwFr 35m.

Holders of two existing voting shares of SwFr 500 each will be entitled to one new share at the split nominal value of SwFr 100 at a price of SwFr 1,000.

Holders of SwFr 50 face-value non-voting shares will be able to buy one further SwFr 50 certificate for every 10 held at SwFr 500m each.

### Zurich Insurance plans rights issue

BY OUR ZURICH CORRESPONDENT

ZURICH INSURANCE reports increased net profits for 1984 and discloses plans to raise SwFr 188m (\$74m) through a rights issue.

Improved investment income led to a 10 per cent rise to SwFr 112m in the net profits. The increase was achieved despite a deterioration in underwriting results "in the aftermath of a further rise in losses in the U.S."

Gross premium income increased by 15 per cent to SwFr 9.61bn, though this would have been only a 3 per cent rise had exchange rates remained unaltered.

The board proposes an unchanged dividend of SwFr 240 per voting share and SwFr 24 per non-voting share.

The one-for-10 rights issue will increase voting capital from SwFr 104.2m to SwFr

120m and non-voting shares from SwFr 50m to SwFr 35m.

Holders of two existing voting shares of SwFr 500 each will be entitled to one new share at the split nominal value of SwFr 100 at a price of SwFr 1,000.

Holders of SwFr 50 face-value non-voting shares will be able to buy one further SwFr 50 certificate for every 10 held at SwFr 500m each.

### NatNed lifts dividend

BY OUR FINANCIAL STAFF

NATIONALE Nederlanden, the leading Dutch insurance group, is lifting its dividend from Fl 2.25 a share to Fl 2.30 after a 10 per cent increase in net profits for 1984.

Net profits have moved up to Fl 523m (\$152.5m) against Fl 475.1m in 1983. Total income rose by 27 per cent to Fl 16.6bn from Fl 13bn.

Nationale Nederlanden acquired a Dutch rival, Amfas, in 1983 and the latter's results

were fully consolidated last year. Last month NatNed announced a U.S. insurance acquisition for \$105m.

The company said it expected profits to rise further this year, but did not elaborate.

Amfas contributed to operating profits of the group as a whole, though it recorded a Fl 83m operating loss on a loss on other non-insurance activities.

### Doubt over steel merger

BY OUR FINANCIAL STAFF

THE PLANNED merger of Krupp Stahl and Klockner Werke's steel operations with CRA of Australia as a partner is practically dead, trade union officials at the two German companies said yesterday.

"I am expecting the merger will no longer take place," said one senior Klockner union official who asked not to be named. An official in Krupp's works council said: "It looks like nothing more is happening."

In London, Mr Alistair Frame, chairman of Rio Tinto Zinc, which owns 52.9 per cent of CRA, said discussions about the tie-up were still in progress with the West German Government and trade unions. The Government had not yet approved aid for the planned new grouping, he said.

The three-way link-up would create West Germany's second biggest steel group with assets of some DM 1.5bn (\$495m).

### Profit slips at Belgian retailer GB-Inno-BM

By Paul Cheeswright in Brussels

SLUGGISH consumer spending led GB-Inno-BM, the largest Belgian retailing group, yesterday to announce slightly lower annual profit figures and a maintained dividend.

Net profits for 1984 were Bfr 332m (\$15.6m) on a total turnover, including value-added tax, of Bfr 118.56bn, compared with profits for 1983 of Bfr 1bn on sales of Bfr 117.9bn.

For the third year running GB-Inno-BM is paying a net dividend on its ordinary shares of Bfr 215. Shares with special fiscal incentives attract a dividend of Bfr 337.86 net, the same as for 1983.

The economic climate in Belgium has forced GB-Inno-BM to run to stand still. Tight government economic policies have led to less disposable income. Retail sales in volume, sluggish anyway since 1980, fell 4 per cent last year. But at the same time costs in the distribution industry have been increasing.

In this situation GB-Inno-BM has been fighting to maintain market share, and its turnover went up over 1983 by just 1.5 per cent.

The group closed eight stores and opened two. Although its total selling space declined last year, sales by square metre of space rose to Bfr 125,000 from Bfr 117,000 in 1983. There was a slight decline in sales per employee.

Compagnie Internationale des Wagons-Lits et du Tourisme is planning a one-for-five rights issue at Bfr 1800 a share to raise Bfr 800m.

### N. AMERICAN QUARTERLY RESULTS

ARCHER-DANIELS-MIDLAND				OT. NORTHERN WOODCOCK				HOMER & HAAS			
Cane rolling, milling				Forest products				Chemicals			
Third quarter	1984-Q3	1983-Q3	1984-Q3	First quarter	1985	1984	1984	First quarter	1985	1984	1984
Revenue	31.6m	22.9m	22.9m	Revenue	492.5m	455.1m	455.1m	Revenue	552.8m	548.1m	548.1m
Net profit	0.3m	0.3m	0.3m	Net profit	13.9m	25.7m	25.7m	Net profit	40.2m	40.2m	40.2m
Net per share	0.03	0.03	0.03	Net per share	0.51	1.14	1.14	Net per share	1.84	2.15	2.15
Loss				Loss				Loss			
Revenue	112.4m	60m	60m	Revenue	1985	1984	1984	Revenue	1985	1984	1984
Net profit	1.17	0.51	0.51	Net profit	62.2m	55.1m	55.1m	Net profit	402.1m	403.2m	403.2m
Net per share	1.17	0.51	0.51	Net per share	215.0m	4.2m	4.2m	Net per share	5.71m	4.2m	4.2m
Loss				Loss	0.18	0.77	0.77	Loss	0.25	0.22	0.22
Revenue	786.7m	858.2m	858.2m	Revenue	1985	1984	1984	Revenue	1985	1984	1984
Net profit	2.3m	0.9m	0.9m	Net profit	10m	822.4m	822.4m	Net profit	1.6m	1.6m	1.6m
Net per share	0.02	0.01	0.01	Net per share	72.2m	65.0m	65.0m	Net per share	55.0m	60.0m	60.0m
Loss				Loss	1.58	1.34	1.34	Loss	1.51	1.51	1.51
Revenue	870.1m	848.8m	848.8m	Revenue	1985	1984	1984	Revenue	1985	1984	1984
Net profit	33.3m	27.8m	27.8m	Net profit	323.7m	300.2m	300.2m	Net profit	261.5m	263.5m	263.5m
Net per share	1.27	0.95	0.95	Net per share	26.7m	25.7m	25.7m	Net per share	14.2m	14.1m	14.1m
Loss				Loss	0.57	0.53	0.53	Loss	1.22	0.97	0.97
Revenue	191.2m	180.2m	180.2m	Revenue	1985	1984	1984	Revenue	1985	1984	1984
Net profit	3.9m	2.0m	2.0m	Net profit	466.5m	477m	477m	Net profit	261.5m	263.5m	263.5m
Net per share	0.71	0.35	0.35	Net per share	32.1m	25.6m	25.6m	Net per share	14.2m	14.1m	14.1m
Loss				Loss	0.58	0.50	0.50	Loss	1.22	0.97	0.97
Revenue	515.5m	491m	491m	Revenue	1985	1984	1984	Revenue	1985	1984	



## INTL. COMPANIES &amp; FINANCE

## APPOINTMENTS

## Earnings fall at Kuwait Petroleum

BY RICHARD JOHNS

KUWAIT Petroleum Corporation, the state-owned hydrocarbons conglomerate, recorded net profits of KD 280.3m in the year to last June, the equivalent of nearly \$940m at the exchange rate then prevailing and \$925m at the current rate.

Earnings compared with KD 307.4m to 1982-83, down 9 per cent. Gross revenues, though, rose 21 per cent to KD 4.53bn. The return on KD 1.55bn of paid-up capital, all of it owned by the Kuwaiti state, was 17.9 per cent compared with 27.3 per cent in 1982-83.

KPC's result was achieved after "cost of sales"—a payment to the Government for oil

at official selling prices—totalled KD 3.72bn, an increase of 28.3 per cent over the 1982-83 level. The corporation pays nothing for gas associated with oil output.

Revenues from overseas subsidiaries including Kuwait Petroleum International—which early in 1983 took over Gulf Oil's refining and marketing interests in Scandinavia, the Benelux countries and Italy—and Santa Fe Braun showed a 54 per cent increase to KD 811.9m. In the annual report no individual results are given for the two.

A healthy contribution to gross revenue, however, from Santa Fe Braun is indicated by the KD 233.7m attributed to

engineering and construction operations by subsidiaries abroad. In the previous year's report they were recorded at KD 226.4m.

Overall, crude oil sales by overseas affiliates were down by nearly KD 5m at KD 73.1m but petroleum products, which would include those processed in Kuwait, mainly for the Italian market, as well as KPC's Rotterdam and Danish refineries (ex-Gulf Oil), amounted to KD 327.1m. No comparable figure appeared in the 1982-83 report.

In the latest year total throughput was about 170m barrels, or 479,000 b/d, about 3 per cent less than in 1982-83 mainly because of stoppage for

maintenance at the Shuaiba refinery.

KPC's own crude oil production averaged 973,000 b/d, 26 per cent more than in 1982-83 and mainly, it seems, because of its downstream acquisitions in Europe. In addition, KPC handled a little more than 60,000 b/d of crude from operations in the Neutral Zone share with Saudi Arabia.

The main achievements in exploration recorded were the discoveries of hydrocarbons in the Sargelu and Marrat formations of some of Kuwait's oil fields. The report says that drilling results from some wells in the Khashman field also indicated potential hydrocarbon deposits.

## Thorn EMI re-organisation

Thorn EMI Information Technology is merging APA-Minerva and Thorn EMI Fire Appliances into THORN EMI PROTECT. Mr Brian Dix, chief executive of Thorn EMI Information Technology protection and control division, is appointed managing director. Other board appointments are Mr T. S. O'Toole as director and general manager—UK; Mr P. Hughes as director and general manager—international; Mr P. W. Mount as director and general manager—fire appliances and Mr P. C. Scott as director and general manager—detection products. The finance director will be Mr A. S. Thompson and the personnel director will be Mr C. J. Connor. Company secretary is Mr G. O. Wiltshire. Within the UK business under Mr O'Toole, Mr A. C. White is appointed director—national sales and Mr C. J. Connor is appointed director—national operations. Regional director appointments are Mr B. S. Henley (South), Mr J. C. Redfern (Midlands), Mr A. Woodcock (North) and Mr B. Hannay (Scotland). Mr M. J. Meeil will be director responsible for fire appliances trade sales.

Mr M. G. Redgwell (Butler Hill) has succeeded Mr M. J. Warren (M. W. Marshall) as chairman of the STERLING BROKERS ASSOCIATION. Mr Warren will become deputy chairman and Mrs Angela Howarth (Fulton Packshaw) has been re-elected honorary secretary and honorary treasurer.

Four new directors have been appointed by HOUSEMAN (BURNHAM): Mr Roger As-

cough becomes marketing director for the marketing and technical divisions from divisional manager. Mr Niall Campbell becomes director of Permit domestic division from general manager. Mr Roger Kinsella becomes production manager from production manager; and Mr David Knowles becomes director, industrial division from general manager. Houseman (Burnham) is part of Portals.

Mr David R. Rapoport has been appointed managing director of HARLOW MEYER SAVAGE.

Mr Andrew L. Johnson has been appointed director, financial institutions division of BRANDT'S INSURANCE BROKERS. He was with Reed Stenhouse.

The following have joined the board of Baring Dyer NATIONAL INVESTMENT: Mr Miles Rivett-Carnac, Mr Timothy Abell, Mr Kimisato Nagamine, and Mr Robert Nave.

FRAZER-NASH has purchased the testing services division of Pendar, now in liquidation. Mr Martin Tapp, formerly head of materials testing at Pendar, becomes a director and general chairman of Frazer-Nash Pendar and Mr John Quion, managing director of Frazer-Nash Pendar.

CAPE BOARDS AND PANELS has appointed Dr Alan Swann as research and development director. He was general manager, research and development. Mr Bernard Noyes becomes manager within the r and d department.

appointed to the board of the parent company, DAVIDSON RADCLIFFE.

POLYCELL PRODUCTS has made the following board appointments: Mr Martin Stockley joins the board as marketing director and Mr Frank Brayshaw becomes sales director. Mr Stockley joined Polycell in 1983 as general manager, marketing. Mr Brayshaw was general manager, sales.

Mr Ken Eganall has been appointed deputy divisional general manager of BARCLAYCARD. He was formerly an assistant general manager, responsible for finance and planning. Mr David Buxton has been appointed assistant general manager of Barclaycard with responsibility for staff, premises and telecommunications. He was formerly a local director of Barclays Bank at Liverpool.

Mr Barry Hare has been appointed vice-president and general manager for GENERAL INSTRUMENT CORPORATION's world-wide lamp interests, in addition to managing director of General Instrument Lamps. He will continue to be based at the corporation's Bury St Edmunds plant.

HENRY ANSBACHER HOLDINGS has made the following appointments: Mr Derek Matthews, formerly a director with Guinness Mahon, joins the board of the merchant bank subsidiary, Henry Ansbacher & Co. Mr Paul Thom, formerly an assistant director and chief accountant with Guinness Mahon, joins the group as chief accountant.

Mr W. R. Graham has been appointed finance director of VICTOR PRODUCTS.

## Beverly Hills thrift bank expects loss for 1984

BY OUR FINANCIAL STAFF

BEVERLY HILLS Savings & Loan Association, the Californian thrift bank in which Swiss financier, Mr Werner K. Rey has a 9.9 per cent stake, expects to report a 1984 loss of about \$100m.

The thrift, which has assets of about \$2.9bn, changed hands last year after a lengthy takeover battle. In January 1984, Mr Rey withdrew from a deal that would have raised his stake

to 26 per cent. The company said the expected 1984 loss would leave it with a negative net worth of \$65m as measured by generally accepted accounting principles.

The thrift said it has reached an agreement with the Federal Savings and Loan Insurance Corporation that may lead to a merger or acquisition of the company.

## Return to the black for United Mizrahi Bank

BY DAVID LENNON IN TEL AVIV

UNITED MIZRAHI BANK, Israel's fourth largest bank, registered a consolidated net profit of US\$8.05m for 1984 compared with a \$12.47m loss for 1983.

Contrary to the trends of other Israeli banks, Mizrahi also succeeded in increasing its consolidated balance sheet by 9 per cent to \$4.78bn at the year-end. Mr Aharon Meir, the managing director, said he was con-

dent the upward trend would continue.

UMB Bank and Trust Company, New York City, United Mizrahi Bank (Switzerland), the United Mizrahi Financial Corporation (London) made substantial contributions to profits and balance sheet growth.

Another major contributor to the improvement was the increased loan activities of Tefahot Mortgage Bank,

## Altech maintains growth and increases dividend

BY JIM JONES IN JOHANNESBURG

ALLIED TECHNOLOGIES (Altech), the South African electronic and electrical company, maintained growth in the year to February despite being affected by the economic slowdown.

During the year Altech divested itself of its direct interest in Powertech, the electrical and lighting products manufacturer, and passed this holding on to its shareholders. After taking this change into account, Altech's turnover rose to R411m (\$218.2m) from a restated R306m and pre-tax

profit increased to R77.9m from R61.9m.

The directors said sales were adversely affected by the economic slowdown which caused customers to defer taking delivery of equipment worth more than R50m. Nevertheless, the board is confident that the recession can be countered by aggressive marketing.

Earnings increased to 401.5 cents a share from a comparable 355.7 cents and the dividend has been raised to 125 cents from an equivalent 97.2 cents.

## Foreign houses buy into South Korean brokers

BY OUR FINANCIAL STAFF

THREE foreign securities houses are taking equity stakes in South Korean brokers in the first links in a "globalised" network of financial institutions.

The Finance Ministry revised its rules on overseas participation in the Seoul stock market last year.

W. I. Carr (Overseas) (Wico), the Hong Kong subsidiary of the British stockbroker, and Yamachi Securities of Japan have each bought 4.53 per cent of Daishin Securities,

one of the "big five" Korean brokerage houses. Daishin will receive a total of 20 per cent (\$2.33m) from the deals.

Separately, Nikko Securities of Japan said it would sign an agreement today with Lucky Securities, another Seoul broker, giving it a 4.8 per cent stake.

Current Ministry rules allow foreign stakes of up to 10 per cent in local securities houses.

## Brierley Investments in NZ\$100m bid for Emco

BY GORDON CRAM

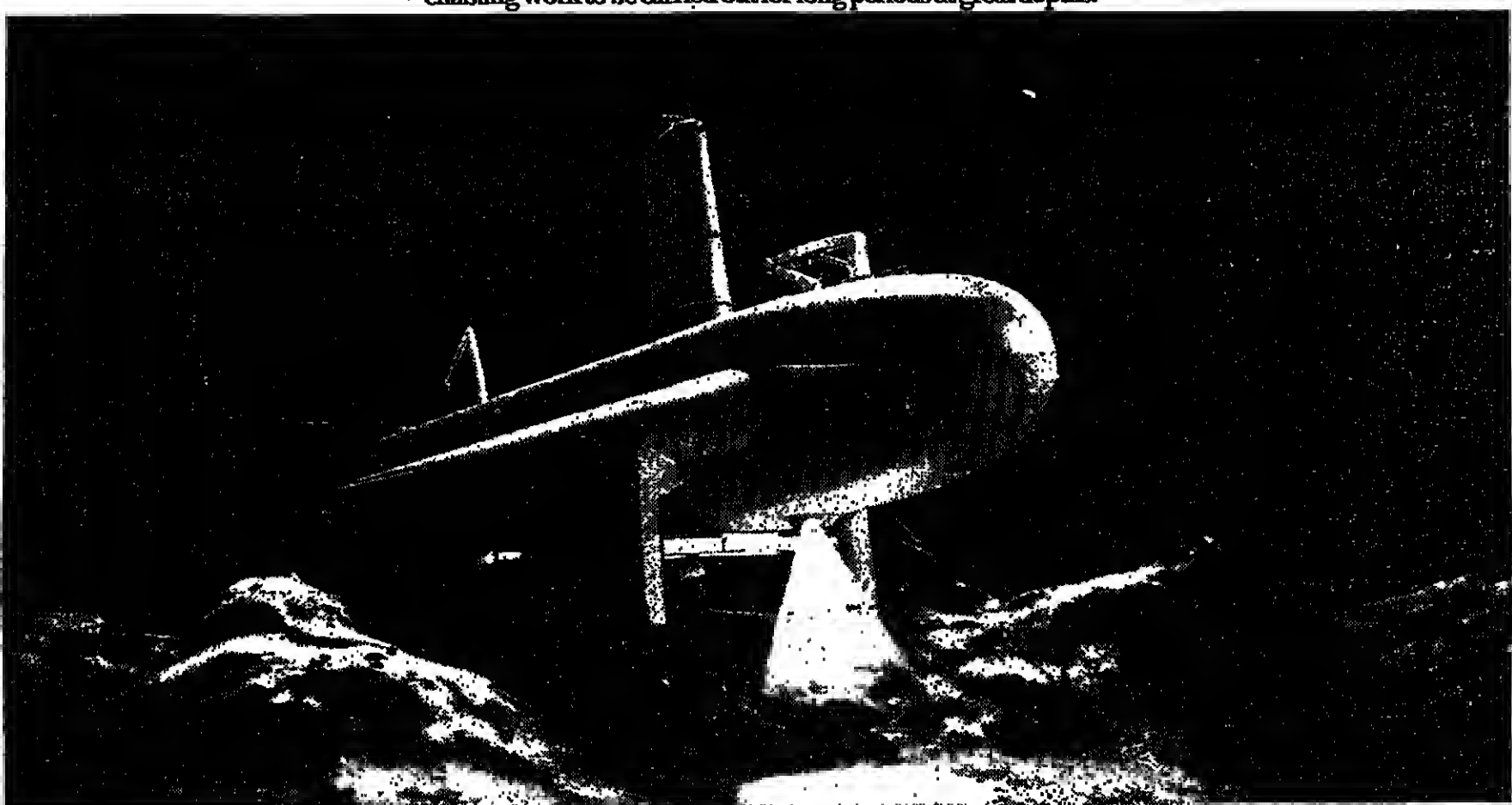
BEVERLY HILLS Savings & master company of Mr Ron Brierley, the Australasian financier, has launched a NZ\$100m (US\$45.4m) bid for Emco, which assembles Honda cars in New Zealand and holds the country's BL franchise.

He coupled the move with an offer for 15 per cent of Waiata NZ, which values the wholesale butcher at NZ\$177.67m. Such a stake, although of strategic

size, is believed by analysts to be initially for investment purposes rather than as a prelude to an immediate full bid.

Brierley Investments, which ranks at or near the top of the New Zealand league in market capitalisation terms, has recently declared its intention of diversifying overseas through its Industrial Equity subsidiaries in Australia and Hong Kong. However, it has stressed that it also remains committed to domestic investments.

By providing a unique liquid oxygen storage system, AGA have been instrumental in developing a revolutionary power system for submarines, enabling work to be carried out for long periods at great depths.



## Successful gas technology on every level.

The AGA Group enjoyed another successful year in 1984, with continuing investment in existing fields and an active search for involvement in new areas of gas technology. Increases of 24 per cent in income after interest and a return on capital employed of 22 per cent show the success of creative efforts and endeavours of the Group on every level.

We concentrated our efforts in those operations yielding the greatest returns for us—namely Gas and Frigoscandia.

Gas

Here, our level of investment remained aggressive. We acquired important activities in Norway, and large new plants were built in Sweden and Finland. Acquisitions of other, smaller companies and strong investments in fixed assets have also contributed to our success, and give us the opportunity to pass on our significant and growing expertise in new gas applications.

Frigoscandia

Frigoscandia's operating income rose again in 1984, thanks largely to the efforts of Frigoscandia Contracting, which develops, manufactures and markets freezing equipment. This operation now has over 50 per cent of the world market—while Frigoscandia itself is the technical leader in several areas.

Heavy investment in technical developments involving storage, distribution and freezing equipment, the sale of our Swiss cold store company—plus a number of acquisitions—illustrate the increasingly selective strategy of the AGA Group.

AGA—Uddeholm

An exciting development arose for us during 1984, with the opportunity to take a majority shareholding in Uddeholm.

This financially strong company has three interesting and independent areas of activity—tool steel, international steel trading and electrical power production and distribution.

Each area is well-equipped and prepared for future development, and—in line with our

decentralisation policy—Uddeholm will realise its own future potential.

New markets—new technologies

Half of all today's gas applications were still undiscovered ten years ago. In this fast-moving field we are highly optimistic about the future of AGA's gas operations, and are determined to play an active role in the many and varied areas of new technology.

For instance, we have pioneered computer-based safety techniques in chemical plants and have introduced a new oxygen-bleaching process into the paper and pulp industry. We are also introducing new techniques for plasma welding black iron. And an advanced method of treating soft drinking water is now being marketed, as is the use of gases in the production of sophisticated electronic components.

Last but not least, we have been instrumental in developing a revolutionary new submarine power system using liquid oxygen.

Future outlook

No industry has such a diversified range of customers as the gas industry, a factor that also contributes to making it one of the most insensitive to economic fluctuations. Yet with the help of our industrial gases we can increase productivity, quality and safety in most industries. Indeed, the emergence of these new application areas has formed a base from which AGA can look forward to continued interesting development trends.

Frigoscandia, for example, is the technological leader in several areas, and has significantly strengthened the company's competitive edge in recent years.

Uddeholm's business activities also look set for an interesting future and the company's high liquidity provides the basic conditions required for some promising developments.

All in all, the depth and breadth of AGA's resources means that we are poised for continuing success in the years to come.

## 1984 Results in brief

- Income after interest items increased 24 percent in 1984 to SEK 7.25 million
- Return on capital employed before taxes rose from 20 to 22 percent
- Estimated profit per share amounted to SEK 54.25 (1983: SEK 50)
- Increase in proposed dividend from SEK 10 to SEK 11 per share
- Bonus issue and stock split proposed. Every old share to be divided into three new shares
- Uddeholm became a subsidiary of AGA.

## Consolidated Income SEK (m)

Excluding AB Tresor and the Uddeholm Group:	Year 1984	Year 1983
Sales	5,632	5,325
Operating expenses etc.	-4,495	-4,361
Normal depreciation	-327	-278
Operating Income	810	684
Dividends etc.	17	19
Net interest items	-104	-118
Income after interest items	723	585
Exchange rate adjustments:		
Swedish Group Companies	-9	-1
Foreign companies including translation	-77	-87
Non recurring items	45	-19
Income before year-end provisions and taxes	680	468

To: AGA Information, S-18181 Lidings, Sweden. Please send me a copy of your 1984 Annual Report.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

AGA

FT 18/4

## NOTICE TO HOLDERS OF

## SONY CORPORATION

\$50,000,000  
6% Convertible Debentures

Due October 31, 1987

Pursuant to the provisions of Section 3.04(b) (1) and (2) of the Indenture dated as of July 1, 1982, between Sony Corporation and The Bank of Tokyo-Mitsubishi Trust Company, as Trustee, the current conversion price (Yen 4,250) of the debentures has been adjusted as follows:

1. Adjusted Conversion Price: Yen 3,521.81.

2. Effective date of adjustment: as from April 17, 1985.

SONY CORPORATION

Norio Ohno

President and Representative Director

Dated: April 18, 1985

## Bank of Greece

US \$150,000,000

Floating Rate Notes

due 1994

Notice is hereby given that the

Rate of Interest relating to the

above issue has been fixed at

9 1/8 per cent for period 18th

April, 1985 to 18th July, 1985.

Agent Bank:

Morgan Guaranty Trust Company

London

of New York

## Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

on 15th APRIL 1985, U.S. \$101.42

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heiding & Pierson N.V.,

Herengracht 214, 1016 BS Amsterdam.

## VONTOBEL EUROBOINDINDIZES

## WEIGHTED AVERAGE YIELDS

PER 16 APRIL 1985

INDEX

Today

Last week

Year's High

Year's Low

11.75

11.64

11.37

10.85

7.28

7.25

7.02

7.01

7.43

7.08

6.83

12.63

12.84

13.41

12.21

Bank J. Vontobel & Co Ltd, Zurich

Tel: 070 411 688 7111



## UK COMPANY NEWS

## Property side boosts BPCC to £37.86m

WITH 1984 profits up by over £15m, Mr Robert Maxwell, the chairman of British Printing and Communication Corporation, tells shareholders that he is "very confident" of the trend in profits for 1985 and future years.

He says the group's heavy capital investment and rationalisation programmes have transformed the competitive position of all businesses, making BPCC exceptionally well placed to take full advantage of developments in the fast-expanding communications industry.

For 1984 the group, engaged in printing, publishing and property, saw its profits before tax surge by £15.78m to £37.86m. They were also up in the first quarter of the current year.

Net profits rose even more sharply. After taking account of a lower tax charge of £2.35m (£4.82m) and adding in group relief payment from Perzaman, the parent company, of £4.88m (£2.8m) the figure emerged £19.53m ahead at £40.58m.

The benefits are being passed on to shareholders who see their dividend for 1984 stepped up by 5p to 11p net, the final being 5p.

Group turnover for the year advanced from £230.82m to £266.52m.

A divisional breakdown of pre-tax profits shows: printing (£16.35m), publishing (£4.4m) and property (£1.71m) (£1.76m).

The property sector benefited from the disposal of the major part of the Odhams Printers site

in Watford. Mr Maxwell is confident of "very substantial" further profits from property development in 1985 and beyond.

The remaining freehold four-acre site with the main building of 160,000 sq ft will be disposed of during 1985.

The chairman says the purchase of the freehold of Maxwell House will facilitate a major redevelopment scheme in 1985-86 in an area undergoing rapid improvement. The group is also working on development schemes in Aldershot, Dunstable and Leeds.

Mr Maxwell says good progress has been made towards completing the restructuring of the group's two major printing plants at Odhams-Sun and Furnells.

After lengthy consultations and negotiations with the unions at Furnells, a new manning and productivity agreement has been concluded.

This has "dramatically improved" that plant's competitive position and enabled BPCC to complete its major capital investment programme there.

Negotiations at Odhams-Sun for the purpose of concluding a similar agreement "nearly are making good progress."

Mr Maxwell warns, however, that this rationalisation will require a substantial loss of jobs, largely in Watford, but will safeguard the future of this plant.

The resulting cost reduction and new technology "combine to make these plants outstandingly competitive and by enabling



Mr Robert Maxwell... confident of the trend of future profits.

them to attract new work from home and overseas customers, will open the way for the creation of additional soundly-based job opportunities."

He says the group's leadership in pre-press technology has led to the establishment of its first major U.S. operation, Computer International, an \$8.5m joint venture with Providence Gravure, a leading N.S. gravure printer.

This plant is now in production and is the forerunner of a planned expansion in North America which will be given added impetus by the recent

formation in the U.S. of the Maxwell Communication and Information Corp.

Shareholders are told that pre-tax profits of the printing division were held down by three major non-recurring factors.

There were serious teething troubles with the seven new printing presses at St. Kitts and Purnell and Sons. These are now overcome, but they meant that in 1984 not only was the planned full production not realised, but company was compelled to meet its contracts by setting work done at premium

overtime rates or by expensive sub-contracting.

The credit by IPC magazine journalists greatly reduced the volume of profitable work carried out for that customer.

In 1984 closure costs of over £4m were charged against trading profit whereas in 1983 similar costs were treated as extraordinary items.

Mr Maxwell comments that the group's increased profits combined with the £42m proceeds of the sale of Bishopsgate Trust's investment portfolio have transformed BPCC's balance sheet and provided a secure base for the continuation of expansion and profitable growth.

In 1983, rationalisation and closure costs—including redundancy and trading losses relating mainly to the Park Royal Radio Times and the Odhams Printers plants—were charged as extraordinary items net of tax.

In 1984 closure and redundancy costs were charged against profit before tax.

Minorities accounted for £263,000 (£241,000) and available profits came through at £40.12m, against £10.99m, which was after extraordinary debits of £4.63m.

Earnings per 25p share showed an improvement of 13.3p to 29.6p.

The 37 per cent rise by the publishing activities in spite of depreciation and financing costs involved, together with the contributions from their overseas companies, the directors expect 1985 to show a further increase in group profits.

For 1984 total turnover rose from £27.59m to £27.62m, which was split between rental £36.39m (£32.81m), and sales and other £31.23m (£24.78m).

The pre-tax figure included £14.11m (£13.35m) profit on trading activities, £106,000 (£516,000) interest received, and £214,000 (£263,000) as the group's share of profit of its associated company.

Minorities took £60,000 against £66,000, to leave attributable profit at £11.34m (£10.61m) for stated earnings per 25p share of 14.6p (£13.67p).

comment

Telephone Rentals has yet to deliver the glittering goods that liberalisation of the telecommunications system is supposed to offer. There are no surprises in the 1984 figures, since the market was warned at the interim stage to expect minimal profits growth, due to aggressive pricing by British Telecom in the PABX market and slower-than-expected equipment approvals by the bureaucracy.

This year the picture looks a little brighter: TR is now marketing 11 systems (against two at the start of last year) while BT has eased off some of the pressure. That said, TR's UK market remains highly competitive and while overseas sales are growing, the depreciation of the South African currency is hitting profits there. Net income from interest in 1984 will turn out as a useful offset to the rental business. Analysts are expecting pre-tax profits around £16.5m. Assuming a 23 per cent tax charge, that puts the shares, at 205p, on a prospective p/e of 12.5.

comment

Steady, step by step, profits growth is what Etam's management shareholders. That said the first step looks more like a stride with profits about £500,000 better than expectation. Though it does not put any figures on its volume growth its existing stores probably trotted in with increased turnover between 4 and 5 per cent which is fair going, especially as Etam appears to have been a little short on top management in its buying areas—a critical department in a fashion group aiming at 20- to 25-year-old females. Physical expansion continues at a steady pace with at least another 14 per cent likely to be added to the sales area in 1985. It is fairly clear that Etam achieved a tighter grip on its cost base in 1984, with the last year and that should hold good for the current 12 months. So £10m pre-tax looks a safe forecast for the current year which, given the prospective p/e to around 15, after yesterday's 13p rise to 169p, a rating which sits in well with the market's perception of specialist retailers.

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## Banro staves off £6.2m bid from CH Industrials

BY LIONEL BARBER

Banro, the sunroof and car components manufacturer, yesterday staved off a £6.2m takeover bid by CH Industrials.

CH's bid lapsed yesterday afternoon with only 6.5 per cent of independent shareholders accepting its offer.

However, CH, which also makes sunroofs, subsequently snapped up the already pledged 14.3 per cent stake in Banro held by Stewart Fund Managers, leaving it with an overall 27.4 per cent interest.

"We are absolutely delighted to remain independent," said Mr Edward Rose, Banro's chairman and chief executive. He said he had yet to take a view on CH's new stake in Banro.

CH, advised by Kleinwort Benson, made a final offer of one ordinary share and five preference shares, valued at 100p each, for every five Banro shares or a cash alternative of 110p. Banro's shares closed unchanged last night at 106p.

Mr Tim Henley, CH's chairman, said the bid was a "very attractive offer" and that he was looking forward to mutual co-operation between the two companies.

Mr Rose said he did not give any thought as to whether to offer CH executives a seat on the Banro board.

## Etam rises to £8.6m and confident of more growth

Etam, the fashionwear retailer that joined the Stock Exchange last June, yesterday reported a £16.6m increase to £8.6m in pre-tax profit for the year to January 26 1985.

And the directors say that results for the first weeks of 1985 are ahead of the corresponding period last year and are in line with budgeted expectations.

They are recommending a final dividend of 2.1p, making a total of 3p which compares with the 2.5p paid prior to last year's offer for sale.

Turnover in 1984 advanced from £47.92m to £56.48m and generated trading profits of £8.58m against £6.92m. Pre-tax profits were struck after interest payable of £21,000 (£7,000) and

included other income of £37,000 (£402,000). Earnings per 10p share amounted to 8.74p (£8.35p) after tax of £4.06m (£3.1m). There was an extraordinary debit of £206,000 (credit £204,000), being costs of the offer for sale.

The directors are confident that Etam will continue to grow steadily, based on a policy of acquiring new trading sites and refitting in the existing chain.

comment

Steady, step by step, profits growth is what Etam's management shareholders. That said the first step looks more like a stride with profits about £500,000 better than expectation. Though it does not put any figures on its volume growth its existing stores probably trotted in with increased turnover between 4 and 5 per cent which is fair going, especially as Etam appears to have been a little short on top management in its buying areas—a critical department in a fashion group aiming at 20- to 25-year-old females. Physical expansion continues at a steady pace with at least another 14 per cent likely to be added to the sales area in 1985. It is fairly clear that Etam achieved a tighter grip on its cost base in 1984, with the last year and that should hold good for the current 12 months. So £10m pre-tax looks a safe forecast for the current year which, given the prospective p/e to around 15, after yesterday's 13p rise to 169p, a rating which sits in well with the market's perception of specialist retailers.

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comment

## Government delay hits TR's profits rise in UK

DELAYS in the Government's timetable for phasing in a number of new communication products, meant that the profit increase in the UK for Telephone Rentals during 1984 was below expectations.

Total group pre-tax profits of £14.73m show a 4.5 per cent increase over the previous quarter of £14.23m in 1983. The directors are proposing to lift the final dividend from 3.75p to 4p, making a 6.25p (5.75p) total for the year.

For the current period the directors of this telecommunications group say that they now have a full range of products to address each sector of their telephone markets, and as a result new rental and sale businesses for the first quarter of this year is substantially ahead of the same period of 1984.

In view of the anticipated increase in overall UK activities, and notwithstanding the depreciation and financing costs involved, together with the contributions from their overseas companies, the directors expect 1985 to show a further increase in group profits.

For 1984 total turnover rose from £27.59m to £27.62m, which was split between rental £36.39m (£32.81m), and sales and other £31.23m (£24.78m).

The pre-tax figure included £14.11m (£13.35m) profit on trading activities, £106,000 (£516,000) interest received, and £214,000 (£263,000) as the group's share of profit of its associated company.

comment

Telephone Rentals has yet to deliver the glittering goods that liberalisation of the telecommunications system is supposed to offer. There are no surprises in the 1984 figures, since the market was warned at the interim stage to expect minimal profits growth, due to aggressive pricing by British Telecom in the PABX market and slower-than-expected equipment approvals by the bureaucracy.

This year the picture looks a little brighter: TR is now marketing 11 systems (against two at the start of last year) while BT has eased off some of the pressure. That said, TR's UK market remains highly competitive and while overseas sales are growing, the depreciation of the South African currency is hitting profits there. Net income from interest in 1984 will turn out as a useful offset to the rental business. Analysts are expecting pre-tax profits around £16.5m. Assuming a 23 per cent tax charge, that puts the shares, at 205p, on a prospective p/e of 12.5.

comment

Steady, step by step, profits growth is what Etam's management shareholders. That said the first step looks more like a stride with profits about £500,000 better than expectation. Though it does not put any figures



## UK COMPANY NEWS

## APV at £8.6m as downturn gathers pace

THE DOWNTURN reported by APV Holdings for the first six months of 1984 became more marked during the second half and left group pre-tax for the full year £8.6m lower at £3.6m. Turnover for the 12 months pushed ahead from £373.78m to £412.25m, the increase being evenly spread around the group. It was very similar for the UK companies and for the overseas operations as a whole.

Shareholders are told, however, that the decline in profits was concentrated on a narrower range of companies.

Group chairman, Sir Ronald McIntosh, says the biggest fall occurred at APV International at Crawley, where substantial losses were incurred.

Substantial losses were also incurred in South Africa and by the UK foundry company, APV Paramount. At APV Bell Bryant in Australia and APV Equipment in the U.S. profits were down sharply.

Sir Ronald says the deterioration in these companies' results compared with 1983 was approximately equal to the fall in group pre-tax profits for 1984.

Despite the setback, share-

holders' dividend is being maintained at 11.25p net per 50p share, the final being 6.75p.

The group, a manufacturer of process and heat transfer equipment, entered 1985 with a larger order book than at the beginning of 1984, and the order intake for the first quarter remains "encouraging".

The orders were taken at more satisfactory margins than were generally applicable in 1983 and 1984.

Sir Ronald points out that strict controls are now in operation during the engineering and commissioning stages of large contracts and this should have a favourable impact on profitability.

He adds that the benefits of the rationalisation programme and the substantial reduction in overheads arising from it will also be increasingly felt in 1985 and 1986.

Trading profits for the year under review fell from £30m to £12.07m. They were struck after deducting distribution costs of £32.32m (£27.15m) and administration expenses of £47.46m (£42.85m). Other operating income was little changed

at £3.55m (£3.43m).

Pre-tax results (they were some £2.3m down at mid year) included a £63,000 share of interest companies' profits, compared with losses last time of £28,000. Interest charges accounted for £3.53m (£1.69m).

Tax took £5.01m (£7.21m) and after minorities (£5.00m, against £5.01m) available profits totalled £3.59m (£1.04m).

Basic earnings totalled 11.2p (34.1p) per share.

Following the changes in top management last July the directors instituted a rigorous programme of rationalisation and cost reduction throughout the group.

This involved a fundamental examination of all companies and action was taken to ensure their overhead structure was properly matched to expected demand.

A number of businesses were sold, closed or merged and the reduction of overheads, when the programme is complete, will be of the order of £5m.

Non-recurring expenditure on rationalisation and closures amounted to nearly £10m in 1984 and was treated as an



Sir Ronald McIntosh

extraordinary item. After all charges there was a retained loss of £9.48m (profit £3.26m).

At year-end group net borrowings had increased by £12.3m and the debt-equity ratio had risen to 21 per cent. This was largely due to the purchase of the minority shareholding in APV Bell Bryant in Australia and of Anderson Bros in the U.S.

## ● comment

The market has been cranking down its forecasts for APV for months and, following a change of management, some hefty below the line extraordinary charges were also anticipated. So, while the downturn of almost £10m pre-tax and retained loss of £9.48m look nightmarish in relationship to forecasts kicking around a year ago of almost £20m pre-tax for 1984, the result is only marginally worse than expected. Anyway, the point now is how quickly new management can pull APV around. Last year loss making activities ran up a deficit of around £5m. With disposals, closures and the turning round of those businesses that remain the £5m should be recouped in 1985. Add in some growth—APV is a company that fares well from a weakening dollar—the benefits from having taken a sharp axe to overheads and a tightening up of the contracting companies and it is easy to see that profits could approach £10m to £15m this year. The shares at 249p, where the maintained dividend yields 6½ per cent, are rightly taking an optimistic line.

## All-round growth boosts Grovebell

A YEAR of activity on the bid front has seen Mr Vasant Advani's Grovebell Group reach record pre-tax profits of £1.13m on turnover 64 per cent ahead at £42.65m.

The figures for the 13 months to end 1984 compare with profits of £882,000 on sales of £26.08m in calendar 1983, and include full year results to the year end of Western Medical Group, acquired last September, but do not take in the Atlanta Investment Trust acquired in December. A below the line charge of £148,000 relates to expenses of the failed offer for Marshall's Universal.

A final dividend of 0.3p net per share against 0.25p last year takes the total from 0.25p to 0.55p.

Commenting on the results the chairman says that each of the group's activities—financial services and motor vehicle distribution—increased its contribution.

The financial services arm, incorporating trade financing and leasing, produced "very satisfactory results".

## ● comment

For almost 50 years Grovebell traded as a footwear manufacturer. When in 1973 it sold its clogs what remained was a shell company and a garage. Out of the shell has come a trading and a financing business and out of the garage a motor distribution network. From the latter in 1984 came a poor performance which a loss of £198,000 from a Vauxhall dealership in Liverpool made worse—divisional profits were down to £75,500, a mere 3 per cent of sales. The earner has been trade financing—profit contribution up from under a half of the total to more than two-thirds. The medical equipment side which has grown mainly as the result of the purchase of Western Medical group in September, also did well. There was no contribution from Atlanta Investment Trust, bought (half for shares) in December for £5.8m. With the sale of Atlanta's subsidiary (for £350,000 in February) and the departure of all of its staff what has therefore been purchased is a £7m portfolio which should contribute at least £700,000 this year. Atlanta will also bring gearing down, at present it is over 85 per cent, once the assets are consolidated. However, the interest bill, which rose 70 per cent to £343,500 in 1984, could well remain heavy. Unchanged at 15p, the group's historic multiple is just over 8.

## Scapa £20m rights to take advantage of rising UK market

IN A move primarily aimed to take advantage of what the Scapa Group considers will be a rising UK market, the company, a manufacturer of specialist fabrics for paper and board making processes, is seeking to raise £20.1m net via a one-for-six rights issue at 375p per share.

The cash call, the first since 1980, was announced simultaneously with estimated profits for the year ended March 31 1984 of not less than £27.3m, an increase of over £5m over the previous year. The projected outcome was down on some City estimates, but these were made when sterling was significantly weaker than the level at which Scapa translated at its year end.

The group's activities are heavily weighted towards the U.S., with something like 75 per

cent of profits coming from there, and Mr R. W. Goodall, managing director, was quick to state yesterday that in dollar terms the results were just as good. He added that current trading was buoyant in the UK and U.S.

The underlying reason for the rights is the rapid growth of the group over the past five years, both in Europe and the UK. This has been financed partly by retained profits, but also by a high level of borrowings, especially in the U.S.

This has increasingly taken the form of U.S. Industrial Revenue Bonds which offer considerable tax advantages. The group's balance sheet shows that out of a total of £5.4m secured non-bank loans in 1984, £3.7m was in this form.

Gross borrowings worldwide reached £53.7m last year, and the company says that the point has been reached where it was beginning to be constrained



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## BOARD MEETINGS

TODAY	Thursday	Friday	Saturday
Interim: Aberdeen Trust, Audio Fidelity, Free State Gold Mines, McKenna Brothers, President Brand Gold Mining, President Steyn Gold Mining, Welkom Gold Mining, Western Holdings	Scottish Mortgage and Trust, Securitas Trust of Scotland, Tibury, Ward White, York Trailer		
FUTURE DATES			
Finals: Arrow Chemicals, Debenhams, Hold Lloyd International, London Atlantic Invest, Trust, London United Investments, May 1, Rask and Tompkins, Apr 30, Stet-Plus, Apr 23, Wingate Property Invest, Apr 25			

## Mohair ahead of forecast

A SLIGHTLY better-than-expected second six months enabled British Mohair Holdings to lift its 1984 pre-tax profits from £3.53m to a record £4.21m.

The textile companies enjoyed satisfactory trading and the non-textile interests made significant progress. The latest acquisition, The Jewel Razor Company, made a "useful" contribution.

The group is continuing to invest in new machinery and is taking advantage of increasing market opportunities.

Shareholders are told that a "satisfactory" result is anticipated for 1985 with progress being maintained in all sectors—the group's principal activities are combing, dyeing and spinning.

Meanwhile, a final dividend of 4.75p (3.5p) makes a net total of 9p (4.65p) per 25p share.

Group turnover for 1984 pushed ahead from £31.18m to £36.72m, with the home activities showing an improvement of £3.35m at £25.67m.

Pre-tax profits included investment income, less interest payable, of £143,000 (£189,000). Tax rose from £1.0m to £1.65m. Earnings per share amounted to 19.73p (18.75p).

At six months the directors were looking for second half pre-tax profits of around £1.72m. In the event, they rose to £1.92m.

## Brooke St makes £1.4m as demand grows

THE GOOD second half forecast by Brook Street Bureau has materialised. Profit has reached £966,000 to make £1.41m for the year 1984, a near £1m increase over the previous £437,000.

And shareholders participate in the expansion: their dividend going up from 1p to 4p net per share, with a final of 3p.

The directors of this clerical and administrative staff agency say the increasing levels of business during the year have continued into the early months of 1985. They are confident that, for the fourth year running, the group will show a "significant increase" in both turnover and profit.

In 1979 the group achieved a profit peak of £2.71m. The next

year that was halved and the following two years saw combined losses of £2.3m.

The directors say that 1984 proved "highly successful". Buoyant levels of trading were experienced throughout the group, with the increase in profitability and sales of the UK activities being matched by equally successful results from the Australian and American businesses.

In the UK demand for skilled permanent staff grew throughout the year, while the number of temporary staff found work was the highest for a number of years. "The demand for temporary staff is currently greater than for over a decade."

Turnover for 1984 expanded

from £15.5m to £21.46m. After tax £489,000 (£56,000) the net profit comes to £936,000 (£371,000) for earnings of 9.05p (3.69p) per share. Last year there was an extraordinary debit of £115,000.

## ● comment

As Britain's oldest quoted employment agency, Brook Street has had an enviable record of generating sufficient cash to see them through the hard times. Since May 1983 cash flow has been positive and by the end of last year there was £1m net in the bank. By the end of 1985 that figure is expected to hit £21m—what the company's management considers about right for safety purposes. In February

the shares put on 24p in two days, to reach the 1984-85 peak of 125p, following an announcement that several suitors had come forward. There is no solid news as to the progress of these talks but the effect of the takeover charter has probably been to discount in advance most of the benefit from the good 1984 performance. Although both of the Hursts seem willing enough to sell at the right price which would include a hefty goodwill element above the current market level, the management terms being sought might put off all but the most ardent. For 1985 the analysts are looking for £2m pre-tax (on turnover up 40 per cent), that is a prospective multiple of almost 10 on 124p.

## Haden defends its profit

Haden, the engineering company fighting off a £37m bid from Trafalgar House, has rejected specific charges levelled at it by the industrial and services conglomerate.

It says the 1984 results, which came under attack from Trafalgar as "extremely disappointing," were adversely affected by losses and closure costs of discontinued businesses, and that far from being disappointed "we were pleased to announce that operating profits from continuing businesses increased from £6.9m to £7.4m."

Haden adds that its financial position at the end of 1984 was

strong and remains strong today," and points to the £12.2m of net cash and investments and significant unused medium and short term borrowing facilities.

Prospects for the current year and beyond "are based on the strengths of our two core businesses, our record order books, and the tough remedial measures we have adopted," it says.

Haden closed at 310p last night, up 2p and 70p above the Trafalgar share offer, while Trafalgar was unchanged at 335p.

## APV HOLDINGS

Extract from the group profit and loss account for 1984

	1984 £m	1983 £m
Turnover	412	374
Profit on ordinary activities before tax	8.6	18.3
Taxation	5.0	7.2
Profit after tax	3.6	11.1
Minorities	—	.6
Earnings	3.6	10.5
Extraordinary charges	9.5	3.7
(Loss)/Profit after extraordinary items	(5.9)	6.8
Earnings per share (basic)	11.2p	34.1p
Ordinary dividends	11.25p	11.25p

## Extracts from the statement by the Chairman, Sir Ronald McIntosh KCB

The rationalisation programme announced in July 1984 has involved a fundamental examination of all our companies. Action has been taken to ensure that their overhead structure is properly matched to expected demand.

The programme involves non-recurring expenditure of £10 million. Some of this has already been incurred and although the programme will continue through 1985 and beyond, the relevant costs have been provided for, as an extraordinary item, in 1984. Reduction of overheads, when the programme is complete, will be of the order of £5 million.

Increased turnover in 1984 was evenly spread around the group. The decline in profit, however, was concentrated on a narrower range of companies mainly in the UK, South Africa and Australia. Most other group companies con-

tinued to do well.

High priority is being given to improving the quality and market relevance of the group's research and development. A unique process for cheddar cheese manufacture has been developed; the group's involvement in developing process plant for new biological products has increased; the improved ACCOS automation system has proved acceptable for controlling a much wider range of processes.

The group entered 1985 with a larger order book than it had at the beginning of 1984 and the order intake in the first quarter of 1985 remains encouraging. The benefits of the rationalisation programme and the stricter controls now in operation during the engineering and commissioning stages of large contracts should be increasingly felt in 1985 and 1986.

APV — market leaders in advanced process plant for the food and beverage industries.



APV HOLDINGS PLC  
APV House, Crawley, West Sussex RH10 1HH.

The AGM will be held on Wednesday 22 May 1985 at the Institute of Directors, 116 Pall Mall, London SW1

Copies of the report and accounts will be available after Wednesday 24 April 1985 from the Secretary.

The above figures are extracted from the full historical cost accounts of the group for the year ended 31 December 1984 on which the auditors have given an unqualified opinion. The full accounts will be filed with the Registrar of Companies after the Annual General Meeting.

BUNZL

## A year of Achievement

Record turnover of £857 million — up 59%

Record profits of £27.65 million — up 60%

Record earnings per share of 23p — up 36%

Record dividend of 7.5p per share — up 36%

For your copy of the 1984 Accounts, please contact:  
D.C. Latimer, Secretary, Bunzl plc, Friendly House,  
21-24 Chiswell Street, London EC1Y 4UD.  
Tel: 01-606 9966 Telex: 888111







# International Appointments

## HONG KONG HEAD OF EDP DEPARTMENT

£36,000-£42,000 per annum

Ernst & Whinney is one of the fastest growing accounting majors in this vibrant region of the world. Continuing practice growth enables us to offer further challenging opportunities in the EDP area to suitably experienced Chartered Accountants who should be in their early thirties.

You will be expected to head up and expand our EDP Department and therefore to have a proven track record in EDP audit. We have a demanding portfolio of both international and local clients and you will need a sound technical capability, a flair for management skills and a keen sense of commercial awareness.

Key tasks will include:

- Responsibility for the continued development of EDP audit and the provision of EDP support to our audit department.
- The provision of EDP related MCS services such as software and hardware selection and implementation. This will require you to be thoroughly updated with trends in the industry.
- The training of staff in EDP audit and the presentation of seminars.

Initial contract will be for a minimum of two years. Those offering longer term commitment, will have good prospects of partnership.

Please write initially with cv to Barry Compton for interview with visiting partner in London late April/early May.

**E&W Ernst & Whinney**  
Accountants, Advisers, Consultants.  
Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

## THE INTERNATIONAL HERALD TRIBUNE

IS SEEKING FOR THE PARIS HEADQUARTERS  
3 QUALIFIED PROFESSIONALS:

### TEXT PROCESSING/TELECOMMUNICATIONS TECHNICIAN

#### THE IDEAL CANDIDATE WILL HAVE:

- Hands on experience in specifying and installing telex, modems, statistical multiplexers, asyn and bisyn communications terminals, end printers
- Experience on large scale, multi-user word processing/text handling equipment
- Work experience in programming DEC PDP 11 computers
- Good knowledge of the French and English languages
- Previous experience in the newspaper industry is highly desirable

He/she will manage and expand the existing telecommunications, page facsimile network and Ate text processing system.

### IBM SYSTEM 38 PROGRAMME/ANALYST

#### THE IDEAL CANDIDATE WILL HAVE:

- Hands-on experience in specifying, developing and installing commercial packages
- Full knowledge of the IBM 38 operating system and its control language
- At least 2 years of experience in programming in RPG III and/or Cobol on the 38
- Good working ability in the French and English languages
- Knowledge of German is desirable

### DATA PROCESSING MANAGER

THIS IS A KEY POSITION WITHIN THE INFORMATION SERVICES DEPARTMENT WITH RESPONSIBILITY FOR:

- Managing and co-ordinating a data processing staff of 15 persons
- Specification, introduction and maintenance of commercial computer systems on an installed IBM system 38/Model 40
- Specification and expansion of a large scale text handling system (Ate) based on DEC PDP 11 computers
- Large scale telecommunications activities to include specifying and installing telex, modems, statistical multiplexers, asyn and bisyn communications terminals, end printers
- Development and introduction of IBM PC based systems for remote office and on-off applications

The ideal candidate will have had at least 5 years' experience as a EDP Manager and will be able to display significant accomplishments in the areas mentioned above. Working knowledge of both French and English is required.

These are results oriented positions and as such the salaries offered are highly competitive.

Apply to:

Stephen W. Conaway  
INTERNATIONAL HERALD TRIBUNE  
181, Avenue Charles de Gaulle  
92521 Neuilly-sur-Seine, France

## Australia Banking/Stockbroking

### Exceptional Remuneration

Banking and Stockbroking in Australia is now in a most exciting stage of change and development. Many overseas trading banks are entering the market, Merchant Banks are expanding or setting up and the Stockbroking industry is in an interesting phase of growth and development.

Our associates in Australia are leading consultants in the Banking and Stockbroking field and on behalf of many of their clients, we are now seeking high calibre professionals who are genuinely committed to a career in Australia. We wish to hear from those well experienced in any of the following areas:

- Corporate Banking
- Corporate Advisory Services
- Capital Markets
- Funds Management
- Institutional Sales
- Research
- Money Market and FX
- Trade Finance

Salaries paid in Australia are generally well above those paid in the UK. Long term career prospects are outstanding.

Please write in the first instance (quoting ref 633) with a detailed CV to Keith Fisher, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Initial interview will be in London.

**Overton Shirley & Barry**  
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

香港

## HONG KONG AUDIT MANAGERS

Banking - General  
£32,000-£40,000 per annum

Ernst & Whinney is one of the fastest growing accounting majors in this vibrant region of the world.

Continuing practice growth enables us to offer further challenging opportunities in audit management to ambitious Chartered Accountants with a minimum of five years relevant experience since qualifying.

Responsible for an audit group with a demanding portfolio of both international and local clients, you will need a sound technical capability, a flair for management skills and a keen sense of commercial awareness. Whilst generalists are required, we also are specifically searching for individuals with expertise in BANKING.

Initial contract will be for a minimum period of two years. Those applicants offering a longer term commitment, can look forward to good prospects of partnership.

Please write initially with cv to Barry Compton for interviews with visiting partner in London late April/early May.

**E&W Ernst & Whinney**  
Accountants, Advisers, Consultants.  
Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

## THE BANK OF GREECE

requires a

### Qualified Technical Adviser

for its Computer Centre

Qualifications required: (a) Ph.D. in computer sciences or in software engineering or in management information systems. (b) At least three years' experience in software and in organisation and information systems applications. Experience in banking operations will be considered as an additional qualification. (c) Greek nationality. (d) Age up to 40. (e) Completion of military service or exemption from it, certified by the military authorities. (f) No conviction judgment for criminal charges.

Interested applicants are requested to send their applications together with: (a) Curriculum vitae; (b) Published papers; (c) Two recommendation letters; (d) Certificate of previous working experience; (e) A photograph of the Ph.D. degree, to the Bank of Greece, 21 Panepistimiou Str., Athens 105 64—not later than April 30th, 1985.

Taking into consideration the qualifications mentioned above, a selection committee will call the most highly qualified applicants for an interview which will be held at the Bank's headquarters in Athens, on May 20th 1985, at 9.00 a.m. (Room 241). The monthly salary range is Drs. 150,000-Drs. 180,000 depending on qualifications and experience, plus family allowances. The appointment will be based on a contract of indefinite duration.

Travelling and accommodation expenses, relative to the participation in the interview, will be borne by the applicants. For further information, telephone 3236762. Bank of Greece—Personnel Department.

## SENIOR CREDIT AND MARKETING POSITIONS — GULF REGIONAL BANK —

A Bahrain-based Gulf Regional Bank is seeking qualified candidates for the following two positions:

### REGIONAL CORPORATE BANK HEAD

The head of Regional Corporate Banking will be a member of the Bank's Senior Management responsible for all corporate business within the GCC states. The candidate must have regional marketing experience and a solid background in credit. Ideal candidate should have a minimum of 8-10 years banking experience coupled with 5 years managerial exposure. Knowledge of Arabic, although useful, is not essential. Compensation Package is competitive and attractive.

### SENIOR CORPORATE RELATIONSHIP MANAGER

This position will report to the Regional Corporate Banking Head. The individual holding this position will be responsible for a portfolio of accounts in the GCC states with heavy emphasis on the marketing of new accounts. Regional marketing experience is essential and candidates should have at least 5 years of commercial banking experience. Knowledge of Arabic, although useful, is not essential. Compensation Package is competitive and attractive.

Applications enclosing a full C.V. should be addressed to:

Reference: E.A.  
P.O. Box 726  
Manama  
BAHRAIN

## International Audit Manager

### Brussels

### Attractive Salary Package

As a result of the restructuring of its European audit function, our client, a large industrial U.S. conglomerate is seeking an International Audit Manager. The department has responsibility for both operational and financial auditing of subsidiaries in Europe. The appointee will be responsible for:

- ★ Planning all audit work, allocating resources to take account of existing requirements and future developments.
- ★ Designing and implementing comprehensive audit programs covering all business group locations.

The ideal candidate will be a Chartered Accountant,

aged 32-40, with managerial experience gained in a major professional firm or in a multinational company. This challenging position will require extensive contact with all levels of management, and excellent communicative skills are therefore required. In addition to an excellent starting salary, there is an attractive benefits package.

Interested applicants should contact John Archer on 010 322 648 1384 or write to him, enclosing a comprehensive c.v., at Michael Page International, Rue Vilain XIII 55, 1050 Brussels (Belgium).

**Michael Page International**  
Recruitment Consultants  
London Bristol Birmingham Manchester Leeds Glasgow  
Brussels New York Sydney

## INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00 per single column centimetre

### International Fixed Income

## SENIOR PORTFOLIO SPECIALIST

Kuwait

KUWAIT INVESTMENT COMPANY (S.A.K.), Kuwait seeks a Portfolio Specialist experienced at a senior level in multi currency bond portfolio management. The successful candidate should be in his 30's, have at least 5 years of bond portfolio management experience, experience in formulating investment strategy and a solid educational background in finance.

The package of benefits includes attractive salary, fully furnished accommodation, and other benefits. Please reply in writing, enclosing a detailed curriculum vitae, to:



**Kuwait Investment Company (S.A.K.)**  
Administrative Manager  
P.O. Box 1005 Safat Kuwait

## GARVIN GUY BUTLER CORPORATION

Require an ambitious young person with 3-5 years' banking experience to work in the Dollar deposit and associated markets in North America. An attractive salary will be paid to the successful candidate with excellent future career prospects.

Please apply in writing giving full details of career to date to:

Mr G M Gascoine,  
GUY BUTLER (INTERNATIONAL) LIMITED,  
Adelaide House, London Bridge, London, EC4R 9HN.

Dr. Dieter Jäggi Partner AG Zürich

Agentur für  
Kommunikations-  
beratung  
CH-8001 Zürich  
Schiffhölde 22  
Telefon 01 252 54 34  
Telex 59 617 jcom ch

Our client is a highly successful international company in the health care sector. The Swiss subsidiary is involved in manufacturing, European marketing and distribution in Switzerland, employs roughly 150 people and has sales of approximately Swiss Francs 40 Million. The company requires a

## Financial Controller/Director Switzerland

### THE JOB:

Member of the top management team responsible for all financial aspects of the company. As such he plays a key role in the formulation of short and long term goals and the implementation of the necessary financial strategies to achieve them.

### Specifically responsible for:

- all aspects of financial control with emphasis on ensuring the company's cost accounting provides management with accurate profitability information
- preparation of the company's annual strategic and operating plans
- matters of taxation, both in Swiss and international context.

### THE PERSON:

Probably a Lic. oec. (M.B.A.), a chartered accountant (auditing) or a Dipl. Buchhaltungs- (CPA) or equivalent. Preferred age 30-37. Must have experience of standard costing. Knowledge of Swiss taxation would be a distinct advantage. Fluency in English and German is essential.

If you feel qualified for this challenging position, please write in strict confidence to Dr. Peter P. Knobel. Mention should be made of any companies you do not wish us to contact.



# Accountancy Appointments

## Financial Controller

**Financial Services**  
to £25,000  
+ car  
+ benefits

**City**



**Arthur Young Executive Selection**  
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Amongst the largest metal and commodity brokers in London, this long established group is at the forefront of commercial developments both in the City and internationally. Its reputation for excellence and its success can be attributed to the calibre and professionalism of its staff.

The rapid growth and success of the Financial Services company has led to the creation of the new position of Financial Controller. Reporting to the Managing Director the Financial Controller will be supported by managers of the administration and treasury functions and will have direct responsibility for the day to day running of

the accounts and computer departments. Candidates should be qualified accountants aged in their late 30's, ideally with experience of futures or financial services operations. A strong interest and understanding of international markets is essential, together with drive, determination and commercial flair.

Please reply in confidence, giving concise career, salary and personal details to J.J. Cutmore, Executive Selection, quoting reference ER775. **Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

## Finance Director

**S.E. England**

**c.£30,000 + car etc.**

The highly successful Property Development Subsidiary of an International Group is looking for a dynamic and entrepreneurial Finance Director. This is a key appointment in achieving expansion for the Company, which is planning to move towards greater independence.

Key responsibilities will be the preparation of feasibility studies, the negotiation of finance packages for projects and the presentation of financial progress reports, as well as for the accounting function overall.

Candidates are likely to be in their late thirties and looking to make a decisive career move. They should have experience of raising finance and of

negotiating with City financial institutions. The ability to present projects and relate to senior colleagues in a professional yet down-to-earth manner is important, as is a realistic appreciation of operational constraints.

Please apply in confidence, explaining how you meet our client's needs and quoting reference 6513/L, to A. R. Turl, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD. Tel: 01-236 8000.

**PEAT MARWICK**

**riverside studios**  
Creative Film & Television

requires a

## FINANCIAL CONTROLLER

An experienced person to head the Finance Department. Salary c. £12,000 negotiable. Please write enclosing c.v. to the Chairman at the above address. Closing date for applications 29th April 1985. Riverside Studios is an equal opportunities employer.

New opportunity with a major group.

## PLANNING ACCOUNTANT

**North London £15,500 + Banking Benefits**

Our client, is a successful financial services subsidiary of a leading UK banking group.

Due to rapid growth and internal reorganisation a need has arisen for an ambitious accountant to work within this high profile role, interfacing with all the operations of the business. Integral duties will include budgeting, forecasting and project work such as expansion into new products and joint ventures.

Applicants should be qualified accountants (ACA/ACCA) aged 25 - 30 years who believe they have the ability and potential to meet this challenging opportunity.

Interested applicants should either ring, or write enclosing career details to, Judith Richardson or Caroline Benton at our London office, quoting reference number 5192.

410 Strand, London WC2R 0NS. Tel: 01-636 9501  
26 West Nile Street, Glasgow G1 2PE. Tel: 041-226 3101  
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744  
Brook House, 77 Fountain Street  
Manchester M2 2EE. Tel: 061-236 1553

**DOUGLAS LAMBLAS**  
Douglas Lamblas Associates Limited  
Accountancy & Management  
Recruitment Consultants



## Management Accountants

**Central London To £20,000**

British Telecom Enterprises comprises a number of well-established and substantial companies including Merlin and Yellow Pages, as well as several smaller ventures with considerable potential. The division has a confident business strategy of which expansion and diversification are important features.

It is within this context that B.T.E. now urgently requires talented graduate, qualified accountants able to make a positive contribution in:

- developing and improving management information and related systems,
- reviewing proposed new investments of all types,
- monitoring the performance of existing businesses and investments,

- carrying out and reviewing the results of financial investigations,
- advising management on the finance-related aspects of the businesses.

Candidates must have had at least two years' post-qualification experience ideally within a marketing-oriented company, or in a consultancy, and should have a markedly commercial perspective. Qualities of commitment and a flexible intelligence are essential attributes.

Applications please, quoting Ref 159/1, to the consultants advising us on this position: Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA. Telephone 01-634 1142.

British  
**TELECOM**

## CHARTERED ACCOUNTANTS WITH BANKING EXPERIENCE

Ernst & Whinney's extensive and expanding banking sector interests are serviced by a banking industry group which blends its specialist accounting and consulting skills into a cohesive client service team.

We wish to add to our already substantial expertise in this growing area and would like to hear from bright and ambitious professionals who can offer experience and understanding of banking.

Excellent financial and career prospects are available to men and women of 27/35 with strong practical experience of bank accounting, consulting or auditing and who have the energy, commitment and communication skills to make their mark quickly in a professional challenging environment.

Please write in confidence to:

Tim Curry, Ernst & Whinney, Becket House, 1 Lambeth Palace Road, London SE1 7EU. Telephone No. 01-928 2000.

**E&W Ernst & Whinney**  
Accountants, Advisers, Consultants

## European Auditor

**London base**

Our client, a prosperous and expanding American multinational is currently looking for an experienced auditor to join an established team of young professionals. Reporting to the European Audit Director you will participate in an operational audit programme for the company's major West European and African locations, necessitating 50% travel with a return to home base most weekends. Current audit activities include financial systems evaluation, controls, operational methods and practices, special projects, investigations and acquisitions work. The group organises regular training and personal development courses which involve US exchange assignments.

A Chartered Accountant,

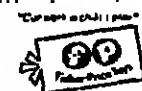
with one or two years p.q.e., you should have strong interpersonal skills and possibly experience of working in Europe. A second European language and a general knowledge of financial operations and US accounting practices would be advantageous.

The company, highly rated as a progressive employer, offers an attractive salary, excellent benefits package and generous relocation assistance where necessary. Prospects for future progression into line management are excellent. Interested applicants should contact Mark Brewer on 01-242 0965 or write to him at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY, quoting ref. L2030.

**Michael Page Partnership**  
International Recruitment Consultants  
London Bristol Birmingham Manchester Leeds Glasgow  
Brussels New York Sydney

## FINANCIAL ANALYST AND PLANNER

**Location: Hare Hatch, Near Reading  
Salary: c.£15,000**



**Fisher-Price Toys**  
(Division of Quaker Oats Ltd)

Our Client is Fisher Price Toys, a division of Quaker Oats Limited. Their European headquarters are based at Hare Hatch, near Reading. They now wish to fill the important position of Financial Analyst and Planner. The position will report directly to the European Financial Manager and will have responsibility for a wide range of new financial services. Fisher Price Toys are looking for someone who either has a Business Studies degree or has qualified as an ACMA or ACCA, with a relevant Numerate degree. There will be considerable freedom and the opportunity to contribute significantly to the financial development of the company. You will be probably in your mid twenties and have between three and four years experience and be able at interview to identify clearly your thoughts on the application of financial planning to the development of the company.

Please contact John Goldsmith People Limited, 159a Gloucester Road, London SW7 4TH. Tel 01-370 2012 (01-373 5428 - 24 hours).

**JOHN GOLDSMITH PEOPLE**  
International Personnel Consultants

## MIDDLE EAST Chief Accountant

**c£25,000 + benefits**

Our Associates, a major Gulf trading company based in Qatar require a Chartered Accountant as a senior member of its management team.

The position includes the responsibility for all aspects of financial control and must combine commercial awareness with first class accounting skills.

The successful candidate must be able to demonstrate an excellent record in a similar overseas position. This is a married status appointment requiring flexibility and the social skills necessary for this type of appointment.

In addition to the salary a generous and comprehensive package of expatriate benefits is offered which will enable the selected applicant and his wife to enjoy a comfortable life style in a pleasant and stable part of the Gulf.

Please write giving full career details to: BJ Stephens, London Bridge Engineering Limited, Consulting Engineers, 16 Abbots Lane, LONDON SE1 2UT.

**LBE LONDON BRIDGE ENGINEERING LTD**

## INSTRUMENT RENTALS

### FINANCIAL ACCOUNTANT

### CHIEF ACCOUNTANT DESIGNATE

**Heathrow Area c. £14 K neg + benefits**

Instrument Rentals (UK) Ltd., a fast growing enthusiastic company in the electronics industry and a subsidiary of U.S. Leasing Inc., requires a qualified accountant (ACA/ACMA/ACCA) for the above challenging position. The successful candidate reporting to the Finance Director Designate will be 25-30 with experience of modern computerised accounting systems and adhering to strict deadlines.

In the first instance please send your c.v. to:

Keith M. Cornelius, FCA  
Instrument Rentals (UK) Ltd.  
Dorcan House, Meadfield Road  
Langley, Slough, Berks. SL3 8AL

## Accountancy Personnel

Placing Accountants First

### FINANCIAL CONTROLLER

**Crayola**

**BEDFORD**

**c£18,000 + Car**

Our client, Binney & Smith, is a wholly owned subsidiary of a US company, involved in the production, marketing and sales of Crayola toys and stationery products.

This successful and dynamic company now wish to recruit a fully qualified accountant to control all aspects of the Company's accounting procedures, including banking and investment programmes, tax planning, and property management. In addition the successful candidate will be expected to become involved in the development of European Subsidiaries and the analysis of acquisition plans.

Personal qualities should include a high degree of commitment and enthusiasm, with an ability to communicate effectively at all levels.

For further information please write/telephone quoting SP/610 to:

Ashton House, 469 Silbury Boulevard, Milton Keynes MK9 2AH.  
Tel. 0908 66 1707



# Accountancy Appointments

## European Financial Analysis Manager

To £20,000 + Car  
French Speaking

An international consumer products group is now seeking an accountant with advanced financial and management accounting skills to join the small European headquarters team which is based in outer west London.

The position, reporting to the European Finance Director, will involve the management of the Region's financial reporting and management information systems; supervision of accounting practices and procedures; analysis of financial performance; onward reporting to Group, and a small central accounting responsibility. There will be approximately 15% - 20% short period European travel.

Applicants should be qualified accountants, with several years' industrial/commercial experience. A previous European role or experience working in a multi-site position would be an advantage. Age guideline late 20's or early 30's.

Please apply in confidence, quoting ref. L 172, to:

Brian H Mason  
Mason & Nurse Associates  
1 Lancaster Place  
Strand  
London WC2E 7ER  
Tel: 01-240 7805

**Mason & Nurse**  
Selection & Search

## Group Finance Director

A medium sized and expanding public group, which manufactures a range of well known products, requires a finance director. The group's subsidiaries in the UK and Europe have a successful record, utilising modern production and engineering facilities with sophisticated control systems.

Reporting to the Managing Director and as a key member of the management team, the finance director will be responsible for the group's financial affairs. This will include enhancing controls and systems, monitoring performance and advising on the financial implications of business decisions.

The requirement is for a qualified accountant, aged around 40, with strong practical, technical and management skills. Experience of engineering or related manufacturing companies that use advanced computerised control systems is also sought.

Location: Buckinghamshire.

Remuneration: around £30,000 plus car and other benefits.

Please write in confidence to CT Garcia (Ref 2311).



**Thomson McLintock**  
Management Consultants  
70 Finsbury Pavement, London EC2A 1SX

## Financial Controller Central London c£23,000 + Car

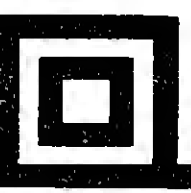
Applications are invited from qualified accountants, ideally aged 32 to 40, who currently hold a senior financial management position within a manufacturing environment and who possess in-depth process costing knowledge.

Your role will be as Financial Controller of a newly created division of a large international group. Companies within the division manufacture and market processed food products with an annual UK turnover of about £100 million. Working closely with the Marketing Controller as part of a small team reporting to the Chief Executive, your challenge will be to improve and develop all financial and accounting controls and activities within each of the self-accounting units of the Division. There will be particular emphasis upon creating financial awareness as well as an improved sensitivity to market needs and the identification of market opportunities.

This newly created appointment is an exciting opportunity for a dynamic, innovative accountant who wishes to contribute significantly both to strategic development and day-to-day management. There are real opportunities for career development in the Group, which has international interests in the production, marketing, wholesaling, and retailing of food, as well as shipping, insurance, property and other industries. Our client employs more than 30,000 people worldwide. Turnover exceeds £1,000 million p.a.

The excellent remuneration package, which is genuinely negotiable, includes a fully expensed two litre car. Generous relocation assistance can be provided.

Write or telephone in confidence (naming any firms which you would not wish to be put forward to) Nicolas Mabin, Regional Manager, quoting reference: LG1090.



**Management Personnel**  
Recruitment Selection & Search  
2 Swallow Place, London W1R 7AA  
Telephone: 01-408 1694 (ext of hours 01-805 2783)

## MANAGEMENT CONSULTANCY A shrewd move?

The move into Management Consultancy could be the shrewdest move of your career. But it also means a change of direction, and that's not a decision you should take overnight - not without carefully considering exactly what Management Consultancy has to offer.

As one of the top 8 accountancy firms in the UK, and with a high proportion of growth orientated clients, Thornton Baker has always had a lot to offer its professionals in terms of variety, challenge, and responsibility. This is especially relevant for those in Management Consultancy - a continually expanding area of our work.

As one of our London-based Consultants your main objective will be to help our clients improve their management and financial performance. You'll need sharp awareness of the financial implications of a company's decisions, and you'll also need to combine a thorough knowledge of accounting and related systems design and operation with the ability to organise a finance function.

We'll provide you with training, and as

you'll be working with highly experienced people, you will achieve your potential quickly.

Our Consultants work on assignments for an unusually wide and varied client list including government and related organisations, so you'll find there's continual challenge in your work. And since on each assignment you'll gain insight equivalent to that of the Financial Director, you will build a depth and breadth of knowledge that goes far beyond it.

You can find Management Consultancy a highly fulfilling career in itself, or you can see it as a stepping-stone to another career - Financial Directorship or general management, for example. However you look at it, there's little doubt that for ambitious and talented professionals, Management Consultancy offers unparalleled scope and opportunity.

If you think you have the potential and ambition to succeed with us and are a qualified accountant aged around 28 with relevant industrial experience, write enclosing your CV, to: Anita Towell, Thornton Baker, Fairfax House, Fulwood Place, London WC1V 6DW.

Thornton Baker



Nobody gets closer to clients

A forceful Accountant in banking....

## FINANCIAL MANAGEMENT

The development of management information in a major bank

c.£18,000 + banking benefits + car.

Our client is the European division of a major U.S. bank, with ambitious development plans to broaden both their client and product base. The increasing sophistication of banking markets and products has created the need for a Senior Financial Manager to review and develop the financial and management reporting requirements of the bank, providing a creative link between operations and banking areas. This will require:-

- Interpretation of results, reports, and projections of future positions; and presentation to senior management.
- Identification of key accounting and financial control information requirements and the development of 'practical' systems to address these.
- Supervision of a group responsible for preparation and analysis of financial information and regulatory reporting.

We seek a qualified Accountant, preferably aged between 27-32, with at least 18 months' post-qualification experience outside the profession. Ideally this would have been within a large banking organisation. Graduates who are part qualified Accountants will also be considered.

Most crucially, the success of the appointee will depend on having the personality and drive to forge close links with marketing officers and other 'front-line' bankers.

Interested candidates should contact Kevin Byrne, either by sending a detailed C.V. or telephoning 01-588 6644. Applications will be treated in strictest confidence.

Anderson, Squires Ltd., Bank Recruitment Specialists,  
Blomfield House, 85 London Wall, London EC2M 7AE

**Anderson, Squires**

## BUSINESS DEVELOPMENT MANAGER TRADE FINANCE BANKING

The Company:

A subsidiary of a large, prime, U.S. corporation, our company is active in all aspects of trade-related financing and trading. Controlled from London, we have banking and trading companies in Hong Kong, Japan, Luxembourg, Portugal, Spain and the U.S.A.

The Position:

We are looking for an additional member of the management team to develop business. This will be mainly with UK companies which are looking for innovative commercial trade finance packages. It is intended that after a short period of company orientation, the appointee will spend a minimum of three or four days per week out of the office visiting potential clients around the U.K.

The Person:

A self-motivated banking professional who has at least 5 years' experience of "cold-calling" on target customers, together with a sound background of trade finance services.

The Rewards:

A career with a team of professionals in an exciting and expanding business environment. The initial salary indicator is up to £25,000 plus a car and the usual banking benefits.

Write Box A8970, Financial Times, 10 Cannon Street, London EC4P 4BY.

## SENIOR COMPUTER AUDITOR International Operations

**MOORE** - founded over 100 years ago is the acknowledged market leader in Business Forms. It is a multinational group of companies with operating plants in most countries throughout the world, employing some 25,000 people. Corporate Head Office is located in Toronto, Canada, whilst the Computer Audit function is directed from Chicago in the U.S.A. The International Division employs about 10,000 people world wide and is also headquartered in Toronto. The computer audit staff operates within the International Division for which the Senior Computer Auditor, together with the Corporate Computer Audit Manager, is responsible.

**THE JOB** The Senior Computer Auditor, International Operations, will be located in London and will plan and perform audit functions which ensure that international computer installations are adequately controlled, secure and effective throughout the world-wide International Division. The successful candidate will also be responsible for performing reviews of System Design Projects. Evaluation of the adequacy and effectiveness of the operating management and EDP controls come within the responsibilities of the job. The successful candidate will determine that data processing management, together with operating management, is developing and administering data processing systems in accordance with Corporate policies and practices. A car will be provided to the successful candidate and 21 days annual holiday is the job entitlement. A company paid health insurance plan operates, together with a contributory pension plan.

**YOU** will hold a degree in either Computer Sciences or Accountancy with a working background in both areas, or equivalent experience. You will have had extensive experience in performing or reviewing programming and systems analysis functions. Financial and EDP controls, audit procedures, operations and concepts also fall within your experience. You must have the ability to work with little direct supervision and be able to assist in audit staff development. As it is an international assignment some world wide travel is envisaged. The greater part of the job is European based and French or another European language is very desirable. Initiative, motivation and inter-personal skills are essential qualities in this appointment, as are good communicating skills. Finally, you will currently be earning not less than £16,000.

Applications in writing should be made to:

K.E. Dowling  
**MOORE BUSINESS FORMS LIMITED**  
81 Southwark Street London SE1 0HX

Enclosing a comprehensive curriculum vitae.



## ACCOUNTANT INDEPENDENT SHIPPING COMPANY

Based in London, part of Independent Oil Trading and Shipping Group requires person to head its accounts department.

Qualification preferred but consideration given to relevant experience and exposure to mini/micro computer systems (IBM 36 in use).

Remuneration: Salary negotiable, pension plan, Bupa, after qualifying period.

Please address replies to:

Group Shipping Financial Executive  
c/o Box A8962, Financial Times  
10 Cannon Street, London EC4P 4BY

## Group Financial Controller

London

c£25,000 + Car

Our client is an established freight forwarding group with allied insurance and travel agency interests. It is the UK division of one of the world's largest transport and forwarding groups.

Continuing growth and associated demands for improved management reporting have led to the creation of this new position. Reporting to and working closely with the Financial Director, the immediate priority will be to relieve him of his extensive involvement in managing the accounts function. Responsibilities will include management reporting; preparation of the annual budget;

further development and rationalisation of computer systems and ad hoc exercises, including acquisition studies.

Applicants must be qualified accountants, aged 33/45 with proven commercial experience, preferably in a relevant service industry and have the personal strengths to contribute positively at senior management level - succession to the Financial Directorship is anticipated.

Please write in confidence with full career details and daytime telephone number to David Tod BSc FCA quoting ref: D74RF

**Lloyd Management**

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

## Divisional Financial Controller N. Surrey to £20,000+car

Our client, part of a highly successful UK group, is the country's leading scientific systems and software company.

Continuing expansion and decentralisation have resulted in the need for a first-rate Divisional Financial Controller to establish the new finance function from the start including the development of sophisticated computer systems.

Preferably a graduate aged 30+, you will be a qualified accountant and must have previous experience of liaising and negotiating with the Ministry of Defence. Substantial involvement in corporate

strategy and decision making will demand a high level of business acumen, commercial awareness and above average communicative ability.

The candidate capable of matching the demands of this high profile organisation will be offered an attractive remuneration package, including a company car and relocation expenses where applicable.

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 236, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

**Michael Page Partnership**  
International Recruitment Consultants  
London Bristol Birmingham Manchester Leeds Glasgow  
Brussels New York Sydney

## Financial Controller

SOUTHAMPTON £15,000 + Car

Our Client, part of a major International Group, is a successful specialist engineering Company whose products incorporate some of the most up to date technology.

The Financial Controller (Director Designate) will be responsible for all accounting matters and will also be involved in broader commercial affairs. Particular emphasis is placed on cash management, the reporting and analysis of monthly accounts, import/export procedures and the preparation of budgets.

Applicants aged 35+ must be qualified accountants, preferably ACCA or ACMA, who are accustomed to working to tight deadlines and are able to contribute to the management of the Company at Board Level. Previous experience of managing a small department within a manufacturing environment is essential.

REWARDS: Benefits include a Company car, pension scheme and private medical cover.

Applicants of either sex apply in confidence.

Ref: 983

Hales & Hindmarsh Associates Ltd.  
Century House, Jewry Street,  
Winchester, Hampshire  
SO1 1JF (0962) 62253  
Search and Selection



# Accountancy Appointments

## Financial Controller (Vice President)

City Bank

to £45,000 + car

Our client is an established leading European Bank. Covering both the international and domestic market, their activities include commercial credit, foreign exchange and documentary credits. They now seek to strengthen their UK operation through the appointment of a senior Financial Controller.

In addition to control of the finance function, you will be expected to make a major contribution to the Bank's future success through the provision of relevant data for business and strategic planning. You will also take a leading role in reviewing computerisation, departmental training and advising on fiscal matters.

Candidates will ideally be Chartered Accountants, with at least 10 years' experience in a banking environment, including control responsibility. Knowledge of electronic banking and computerised accounting systems are equally important. Personal qualities will include the ability and commitment to define business objectives, interpret trends and implement changes as necessary.

This key appointment provides a challenging role for a high calibre financial executive, with excellent prospects of progression. In addition to an attractive remuneration package, benefits include car, BUPA and subsidised housing loan.

Candidates should apply in confidence with a full CV and quoting reference MCS/6048 to Alannah Hunt, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.



CONSTRUCTION  
PROPERTY DEVELOPMENT  
LEASING

## FINANCE DIRECTOR DESIGNATE

CITY

Salary Negotiable  
plus Car and  
Fringe Benefits

A financial executive is being sought to co-ordinate, control and reorganise the Group's financial management including computer applications.

Responsibility will be to the Holding Company Board and it is anticipated that the successful candidate will be appointed to the position of Group Financial Director.

Previous experience in the fields covered by the Group's activities would be an advantage.

Applicants should send full CV details to Box A8954  
Financial Times  
10 Cannon St, London EC4P 4BY

## Company Secretary - Financial Director Designate

Rural Bedfordshire

Package to £30,000 + car

Our client, a subsidiary of a British plc, is a recognised market leader in the design, development and production of sophisticated defence systems. A long period of sustained growth and profitability has brought the company considerable export business and a current turnover in excess of £100m.

The position is a challenging and active role within the management team, initially entailing responsibility for statutory and non-statutory financial disciplines. Particular emphasis is placed on the commercial interface with government bodies both in the UK and overseas.

Aged 30-40, you must be a qualified

accountant, preferably chartered with ambition, drive and a commercially minded attitude. Previous experience of government contract dealings gained in an high technology engineering environment would also be desirable.

In addition to the excellent salary and bonus, a generous package of benefits is offered, including relocation expenses where appropriate.

Interested candidates should write to Don Day FCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 234, at 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership  
International Recruitment Consultants

London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

## ACCOUNTANCY

## APPOINTMENTS

## APPEAR EVERY

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## Divisional Accounting Manager

c£16,000

W. London\*

## An excellent career development opportunity

The international division of BOC Health Care, operating worldwide in the medical engineering, equipment and disposables industry, requires a Divisional Accounting Manager with a strong computing background.

This opportunity at our head office operation will broaden your computing, reporting and forecasting experience as the basis for future career development within our multinational operations. We would expect you to have contributed significantly to this position and be ready for your next career move, which could be either in the UK or abroad, within 2 years.

As a member of a small specialist team, you will provide a high level of service to UK and overseas operating units, working to tight deadlines with minimum supervision. Specifically, this will include the analysis of monthly accounts, preparation of year-end accounts, annual budgets, quarterly forecasts and development of a sophisticated (IBM 34) management information system, together with ad hoc modelling exercises (IBM PC).

In your mid twenties, you should be a qualified accountant with approximately 2 years' post-qualification experience. In addition to offering strong computing and accountancy skills, you will be a good communicator, totally committed and able to thrive under pressure.

As well as an attractive salary, a full range of large company fringe benefits is offered.

\*Located initially at Hammersmith, W. London, relocating in Summer 1985 to Windlesham, Surrey.

Please write with full personal and career details to:

Mr L. Davidson  
Personnel Assistant  
BOC Health Care  
Hammersmith House  
London W6 9DX

BOC Health Care



## BADENOCH & CLARK

## SENIOR EXECUTIVE ASSISTANT TO CHAIRMAN CENTRAL LONDON

To £20,000 + Car

Well known Company Chairman wishes to recruit a qualified ACA aged 35-45. The successful applicant will be involved in helping the Chairman develop and control a variety of business interests.

Candidates must be able to demonstrate a stable background, both in and out of the profession, drive, initiative and commercial awareness. The position would suit someone with a financial background who is looking for a career change. Some exposure to tax, although not essential, would be advantageous.

This post offers an excellent opportunity to join a growing organisation at a senior level coupled with excellent career prospects.

Contact **Robert Morgan**.

Financial Recruitment Specialists  
16-18 New Bridge St, London EC4V 6AU  
Telephone 01-533 0073

## Group Financial Controller

Board prospects

c.£25,000 plus car

With a turnover of about £50m. in the manufacture and trading of ladies' fashionwear, this long-established, profitable plc enjoys excellent relationships with the major UK retail groups. A number of its well known brands are market sector leaders. The outstanding success of its latest range has won wide acclaim from the retail world and financial commentators alike.

In this appointment, based in West London, the successful candidate will lead the Group's financial and secretarial functions, and will be accountable to the Chairman.

There are three essential requirements - seasoned experience and success in a senior financial role in a manufacturing business; a professional qualification - preferably backed by a degree, and the capacity to make a successful contribution in a business undergoing considerable change and rapid growth.

Success should lead to a main Board appointment.

Please write - in confidence - to Colin Bexon ref. B.17429.

This appointment is open to men and women

HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.  
Offices in Europe, the Americas, Africa, Australia and Asia Pacific.

**HAY-MSL**

MANAGEMENT SELECTION

Phillips & Carpenter have been retained by a major U.K. based international public company to assist in the recruitment of the following vacancies which are based in Central London:-

## Manager - Internal Audit

around £25,000 + car

The position of deputy head for the growing corporate internal audit function carries specific responsibility for the planning and review of assignments and involves detailed discussions with senior management. There will be approximately 30% foreign travel. Applicants (male/female) must be Chartered Accountants, aged 30-35, preferably with a degree, who can demonstrate a successful track record with a major professional firm. Ref: 1341/FT.

## International Internal Auditor

circa £15,750

This is an exciting opportunity for a young Chartered Accountant (male/female) preferably with a degree, who wishes to travel, to gain an invaluable insight into the group's international organisation and accounting systems, which should lead to a line position either in the U.K. or overseas within two to three years. Ref: 1344/FT.

Write or telephone for an application form or send full details (with telephone numbers and current salary) to R.P. Carpenter, FCA, FCMA, ACIS,  
2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

**Phillips & Carpenter**  
Selection Consultants

## COMPANY SECRETARY/CHIEF ACCOUNTANT

FOR LLOYD'S BROKERS

AGE RANGE PREFERABLY 30-45

LONDON E.C.3

c. £25,000

Old established, progressive firm, with worldwide connections is seeking a qualified Accountant to be responsible for all accounts and Company Secretarial duties of the firm direct to the Principals.

The candidates should have Managerial experience together with a good working knowledge of insurance accounting procedures, computer systems and Company Law.

Please write in confidence enclosing career details to:  
Box A8932, Financial Times  
10 Cannon Street, London EC4P 4BY

## DEPUTY ACCOUNTS MANAGER

CITY

£15,000 + BENEFITS

Opportunity for Qualified Accountant with three years' post-qualification experience to join a major shipping and transportation group. Duties will include responsibility for 6 staff, general accounts duties and to ensure reporting deadlines for monthly, quarterly and annual results are met. Also will be given responsibility for consolidations, budgets and forecasts. Applicants must have had at least three years' general accounting experience with involvement in computer design and implementation.

Robert Jay Associates  
Ref: 7201  
6 Broad St Place  
Blomfield Street  
London EC2M 7AN  
Tel: 01-528 7821

## Finance Director

Lancashire

to £20,000 plus car

This is a contributory, commercial management position within a profitable plc operating in the electronics sector. Commitment will be demanded as this is a senior executive role embracing all financial and accounting activities. The immediate requirement is for a forward looking, commercially able qualified accountant between 35 and 45 with the necessary management ability to take increasing responsibility. Preferred candidates will have previous experience in distribution and a thorough appreciation of DP applications together with a positive personality that is results orientated. Relocation expenses will be reimbursed as necessary and additional benefits enhance the basic remuneration.

Please send full career and personal details to John Overton FCA, Overton Management Selection, Monaco House, Bristol Street, Birmingham B5 7AS or telephone 021-622 3838 for an application form quoting reference 9/1150/FT.

**OVERTON**  
MANAGEMENT SELECTION

## FINANCIAL DIRECTOR AND SECRETARY

Near Leeds

Excellent Neg Salary &amp; Bonus + Car

Our client, Carter & Parker Limited, is a successful and profitable privately owned manufacturer and distributor of hand knitted yarns to the retail trade, marketed under the well known trade name Wary. Group turnover is approaching £20m and there are over 500 employees at 2 manufacturing sites.

Due to retirement, a qualified accountant with appropriate manufacturing experience, probably aged 35-45, is now sought to join the Main Board, and provide top level financial, commercial and secretarial direction and controls.

Remuneration is negotiable, and group benefits are commensurate with a Main Board appointment. A significant contribution to relocation expenses will be negotiated where appropriate.

Candidates, male and female, please telephone Leeds (0532) 459469 (24 hour confidential answering service) or write to David T Bentley, Senior Consultant, 31 Consultants, Headrow House, The Headrow, Leeds LS1 8ES, for further details and an application form, quoting DB/532.

**3i** Investors in Industry Consultants Limited  
Recruitment Division



## 1984

**Circa £20,000 + Executive Benefits Package**

Written applications enclosing curriculum vitae should be sent in the strictest confidence to Robert N. Collier or Neil Gillespie at our London address quoting reference number 5170.



**c£20,000+bonus+car**

31 Southampton Row,  
London WC1B 5HY.

**International Recruitment Consultants**  
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

**£18,000 – £20,000 + CAR**

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref. 2268 to G.J. Perkins, Executive Selection Division.

Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

## Bristol








**£18,000 + car**

Management Selection Limited

**negotiable c £15,000+car**

Resumes including a daytime telephone number to Alan Pace, Executive Selection Division, Ref. R880.

43 Temple Row  
Birmingham B2 5JT

**c. £20,000 + CAR + BENEFITS**

**GABRIEL DUFFY (CONSULTANCY)** All replies will be treated in the strictest confidence

**c.£20,000**


**PEAT  
MARWICK**

To explore your potential within the Group, contact Bob Miles for a confidential discussion. 01-242 6321 (day) or 01-568 0085 (eves).

75 Gray's Inn Road, London WC1X 8US  
01-242 6321

**Personnel Manager**  
**British Transport Advertising Ltd**  
**77 Newman Street**  
**London W1A 1DX**  
**Tel: 01-436 7722**

**C. £16,000 Plus Bonus** **City**

Please write in confidence, with full cv. to:-  
Mr D.J. Goddard, Personnel Manager, Antrak Group,  
Millard House, Cutler Street, London E1 7DU.



# Accountancy Appointments

## Financial Controller

Retailing c. £18,000  
Newcastle upon Tyne + car

A profitable and rapidly expanding retail food business based near Newcastle upon Tyne is seeking to appoint a financial controller to play a key role in its future development. Turnover, currently approaching £3 million, is likely to treble within the next two years. Key tasks will be the development and installation of computer-based accounting and management reporting systems and the introduction of effective controls at store level.

The position calls for a qualified accountant (probable age range 28-35) with practical experience of financial management in the retail industry. It is likely to appeal to a hardworking, business-oriented accountant with the relaxed personality needed to enjoy a broad role in a lively, informal and entrepreneurially led company. An attractive remuneration package is offered to the person who can demonstrate the experience, aptitude, and personal qualities required.

Please write in confidence with brief career details, quoting reference L/505 to Mr. C. I. McBride, Executive Selection Division, Peat, Marwick, Mitchell & Co., City Square House, 7 Wellington Street, Leeds LS1 4DW.

PEAT  
MARWICK

## Partnership Accountant

Solicitors To £18K

Our client is a broadly based well established and expanding firm of WC2 solicitors. The Partnership Secretary wishes to appoint an accountant, who with three support staff, will run the accounts section, further develop existing financial controls and expand the present computer based accounting system.

Candidates are likely to be young, have prior experience of the legal cashier's function in a major firm and have the professional ability and enthusiasm to grow with this practice.

Please send career details to Karen Will (reference 51), Spicer and Pegler Associates, Executive Selection, St Mary Axe, London EC3A 8BB.

Spicer and Pegler Associates  
Management Services

a Weir Group Company

WEIR

## FINANCE DIRECTOR

WOKINGHAM WEIR WESTGARTH LTD  
Salary Negotiable

Weir Westgarth is the major contracting company within The Weir Group and has an opportunity for an experienced qualified accountant to head up the financial function at Wokingham, Berkshire. The finance director will be responsible to the managing director, will require to be an able negotiator and to draw on sound experience of all financial and contractual aspects of large export contracts. Such knowledge and skills will have been gained from work in the engineering contracting industry or in the manufacturing of exported products. In addition to the financial aspects, the job carries responsibility for a range of duties including those of company secretary and for the personnel administration associated with a medium sized engineering company. Candidates at present earning less than £20,000 are unlikely to have the necessary experience. The salary is negotiable and will relate to relevant experience and there is a car, pension scheme and other benefits which combine to reward the high level of responsibility carried by this key appointment.

Please write with full career details to:—  
A.H. HOWIE, STAFF MANAGER  
THE WEIR GROUP PLC  
149 Newlands Road, Glasgow G44 4EX.

## Control a Group FCA and/or FCIS

Hard-driving, skilful and very profitable, a fast-growing industrial services group is in need of general administrative support (accounting, secretarial and office management) to underpin its £8m. business in West London, a demanding role even for a tough, seasoned, effective, qualified Controller who will have to earn every penny (circa £25,000 plus car) on this ascent to an early seat on the Board. Please ring 01-730 0137 for Specification 876

EXECUTIVE PRESELECTIONS

A Division of Executive Search Ltd.  
8A Symons Street, London SW3 2TJ

## ACCOUNTANTS MERCHANT BANKING

£16-20,000+AAE

We seek applications from qualified accountants interested in pursuing a career in Merchant Banking. Our client, one of the elite Groups in the City, wishes to appoint three individuals across their financial + operations divisions. The successful candidates will possess a good knowledge of taxation, be familiar with computer based accounting systems and have a lively analytical mind. Strong management + interpersonal skills are a must for these roles. Our client offers a generous staff package inclusive of subsidised mortgage.

For further details call Robert Milne  
631 5045

CRAWFORD RECRUITMENT

## FINANCIAL CONTROLLER

**The City**  
Tele-Link Archives Limited provides high-security computer data and document storage facilities. Following two decades of progressive growth, our turnover, in excess of £1m, has increased the possibility of public quotation in the very near future. For this reason, efficient and effective control of the company's accounting system is critical to our continued prosperity. The appointed controller will undertake the role of a financial director designate. Reporting to the Chief Executive, he/she will assume overall responsibility for

c£16,000+car guiding the company through to its expected flotation. Candidates must be qualified accountants, preferably ACA, with a highly self-motivated and conscientious attitude. Previous experience in a computer-orientated environment is desirable. The position commands an attractive salary plus car and benefits, as well as excellent career prospects in the public sector. Applications, enclosing a CV, should be addressed in confidence to Stephen Crown FCCA, Chairman, Tele-Link Archives Limited, 1A West Smithfield, London EC1.

TELE-LINK  
ARCHIVES LIMITED

## Internal Auditor

Banking c. £35,000 Tax Free

Our client is a major Middle East bank with an extensive national and international branch network, and is among the world leaders in terms of sophisticated banking technology and management.

Located in one of the more pleasant parts of the Middle East, the successful candidate will report to the General Auditor and he, or she, will be responsible for planning and supervising the work of a substantial and well established internal audit team. Prospects for rapid career development are excellent.

Candidates, aged around 30, must be professionally qualified accountants with at least five year's post qualifying

experience involving commercial banking and ideally including auditing branches of overseas banks.

Familiarity with American banking practices and with audit software would be advantageous.

Salary is around £35,000 tax free and the benefits include free furnished accommodation, forty days annual home leave and children's school fees.

Please send brief career details, in confidence, quoting reference AR/1002 to: Andrew Duncan, March Personnel Services, 12 Sheet Street, Windsor, Berks, SL4 1BD.

MARCH

PERSONNEL SERVICES

## Accountants c.£20,000 plus car

A major National and Provincial Newspaper Group is seeking three qualified accountants for their London EC4 head office. Two of these positions arise from impending retirements, the third is a new post.

- **FINANCIAL ACCOUNTANT**  
To be responsible for the production of the monthly and annual financial accounts and supervise a staff of forty (Ref. 8437)
- **MANAGEMENT ACCOUNTANT**  
Will be responsible for the preparation of business plans, budgets, monthly forecasts and the preparation of management accounts and information systems (Ref. 8438)
- **PROJECT ACCOUNTANT**  
Responsible to the Finance Director for the financial monitoring and controlling of all aspects of a major construction and relocation project spanning the next five years (Ref. 8439)

The company's computerised accounting systems are being redeveloped and all three Accountants will contribute to system design and implementation. Well qualified accountants with industrial experience are sought to fill these interesting and challenging posts. The Project Accountant, preferably qualified, should have experience in the construction/contracting industry.

Please write in complete confidence giving career details and quoting reference or telephone Tony Riley on 01-734 7282 for a Central London interview.

Barnett Consulting Group Limited,  
Providence House, River Street, Windsor, Berkshire SL4 1QT

Barnett Consulting Group

## M.I.S. MANAGER

c. £18,000 pa East Midlands

Our client is the subsidiary of a multi national corporation and is based in the rural East Midlands. They manufacture, market and distribute products for the food and associated industries: they are profitable and well managed and have a turnover in excess of £10m per annum.

They now require a professional accountant, probably an A.C.M.A. and aged 28-35 years, who has practical experience of the development, installation and maintenance of database management systems, such as the H.P. IMAGE system. This position reports to the Director of Finance and Administration and is responsible for the accounting and data processing and reporting functions.

Full relocation assistance is available and the remuneration package is for negotiation, candidates should apply in writing quoting ref. R732 to:

Brian Stubbs

BKI Management Consultants Limited,  
No 8 Sheet Street, Windsor, Berkshire SL4 1BW  
Tel: Windsor (07535) 54917

BKI

SEARCH AND SELECTION

Accountant  
required

for permanent position  
for medium size  
company. Age not  
important, salary  
according to experience.

Please write Box AS976  
Financial Times, 10 Cannon  
Street, London EC4A 4BY

## AMBITIOUS ACCOUNTANT

(ACMA)

£15,000 + CAR RURAL OXFORDSHIRE

We are looking to recruit an ambitious qualified Accountant who will be totally responsible to the Managing Director for all aspects of the company's financial matters.

It is most important that the person appointed is able to contribute fully to the continued growth of the business. The company operates in the expanding growing market and has in just four years moved to the position of market leader, supplying all major national outlets. Applicants with a minimum of 2 years relevant experience, within the age range of 25-35 years, should apply detailing experience and current salary to:

Tom Parker, ENARKAT MANAGEMENT CONSULTANTS,  
68 Townfield, Rickmansworth, Herts WD3 2DD.

## Financial Executive in banking or leasing

Southern Home Counties  
Generous salary, car & substantial benefits.

Our client is a well-known international organisation in a high profile specialist sector of a service industry.

Owing to expansion a need has arisen to appoint a group finance executive to be located at the corporate headquarters. Duties will be varied and include the study of possible acquisitions, and the negotiation of major leasing and financial arrangements.

Applicants should ideally be chartered accountants, probably working in a bank or major leasing organisation and should be aged about 30.

This position offers prospects of substantial advancement in a progressive organisation.

Please write to MJB Ping enclosing a detailed CV and quote reference F/205/P, Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

EW Ernst & Whinney

## FINANCIAL DIRECTOR

Chessington, Surrey c. £25,000 + Car

Our client, a fast growing U.K. plc, recently floated on a major European Stock Exchange, with a range of interests in the design, manufacture and distribution of capital equipment for the media communications sector. The company has a turnover of approximately £4 million and is substantially profitable. Plans are well advanced for a number of acquisitions in allied fields as well as additions to its existing product range.

Key tasks will be to enhance management information systems, further strengthen controls and work closely with the Managing Director in the future development of the Company.

The successful candidate will be a qualified accountant, preferably Chartered, aged 35-45, and will already have gained substantial line management experience in a small or medium sized manufacturing and marketing environment. Ability to work effectively in an entrepreneurial and loosely-structured organisation is of prime importance.

Please write with full c.v. to:—

David Berke, Esq., Ref. A74

BERKE COHEN FINE & PARTNERS

Dorville House, 14 John Princes Street, London W1M 9HB

## Borough Treasurer

£24,576 to £26,115\*

The Council invites applications from men and women for this challenging post in a very progressive authority.

Southwark is an inner London Borough with acute problems of multiple deprivation and high unemployment. It is one of the authorities which has been singled out by the Government for re-structuring.

The Borough Treasurer is the Council's chief financial adviser and is responsible for a department of some 330 staff. The authority has an annual turnover of £250m and a loan debt of the order of £250m.

This key position calls for a qualified accountant (ideally CIPFA) with extensive financial and managerial experience at a very high level in local government. We are looking for an officer of the highest professional calibre, who must be able to motivate and contribute to the development of the work of the staff as a whole, and in particular, co-ordinate the department's response to policy issues. The ability to work closely with other Chief Officers and senior Members of the Council is essential.

Benefits include a lump sum car allowance and an overtime scheme.

For an informal discussion, please contact Mr John Parker, Acting Chief Executive on 01-703 6311, extension 2101.

\*Salary inclusive of £1251 London Weighting.

Southwark is an equal opportunity employer. Applications are welcome from candidates regardless of sex or ethnic origin and from registered disabled persons.

Telephone 01-701 2870 (24-hour answering service) any time for an application form, or write, on a postcard, to: The Personnel Office, London Borough of Southwark, 25 Commercial Way, London SE15 6GG.

Please quote reference FT/2/5374 and job title. Last date for receipt of completed application forms: 3rd May 1983.



Southwark  
a London borough

## Financial Accountant

Up to £16,000 + car

Our client is a major national retailer based in West London and has had a consistent growth record over recent years. The company is entering a new exciting phase in its development and requires a young qualified accountant to assist in the areas of financial reporting, planning and systems development.

The ideal candidate will be aged between 26 and 30 with at least 2 years' post qualification experience, preferably in a retail environment. He or she should possess a strong personality combined with an abundance of energy and a desire to succeed through hard work. Complete familiarity with micro computers is essential.

The position offers considerable scope for gaining a complete range of financial experience together with excellent long term career prospects. The remuneration package will include the benefits normally associated with a large public company.

Please apply in confidence with full c.v. and listing any companies to which you do not wish your application to be sent, to:

Mr. A. Buchanan (FA/FT)

Buchanan & Partners Limited

Halifax House, Chinnor, Oxfordshire OX9 4JW

## Financial Controller

Circa £25,000 + Car + Bonus

Applications invited from qualified Accountants with experience in working with associated European companies—particularly French and German.

We are a wholly owned (by our Hi-technology parent) small company in the field of measuring instrument systems.

We wish the financial management of the total European operation to be run by a Controller from our Barnet, Herts Headquarters. Knowledge of French or German would be an advantage.

Help with cost of change of house will be arranged.

Reply with c.v. to: NANOMETRICS EUROPE LTD  
Holland House, Queens Road, Barnet, Herts EN5 4DJ



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UNIT TRUSTS 46-47  
COMMODITIES 48 CURRENCIES 49  
INTERNATIONAL CAPITAL MARKETS 50

# SECTION III - INTERNATIONAL MARKETS

## FINANCIAL TIMES

Thursday April 18 1985

39  
Brazil picks wrong  
time for cotton  
boom, Page 48

### WALL STREET

## Nervousness ahead of GNP figures

NERVOUSNESS ahead of today's Commerce Department's disclosure of revised first-quarter GNP figures brought falls in bond prices yesterday, writes *Terry Byland in New York*.

Short-term rates also edged higher, and an early advance in the stock market was checked at mid-session.

At 3pm the Dow Jones Industrial average was up 1.54 at 1271.09.

The nervous mood of the credit markets was heightened by a report, attributed to a Commerce Department official, that the GNP figures would show an upward revision. This was later corrected to attribute the comment to an economist at the U.S. Chamber of Commerce.

Speculation over Fed policies was heightened by the Reserve Bank's offer on Tuesday afternoon to buy Treasury bills on its own account, plus \$300m for a customer. While analysts are still divided on the likely trend of credit policies, those predicting easier credit were encouraged by the fall yesterday of Fed funds to 8 per cent, and of three-month Treasury-bills to 7.33 per cent. The T-bill rate, down by 11 basis points yesterday, is now at its lowest point since early January.

The markets made no response to yesterday's batch of economic news. U.S. personal spending rose slightly in March, and industry's operating rate was unchanged.

The stock market gathered confidence during the morning. Chemical stocks, which have lagged the market this week, attracted buyers. Du Pont added 5/8 to \$56 1/2, and Monsanto \$1 to \$45.

The financial sector remained firm. Manufacturers Hanover, the last of the big banks to report first-quarter progress, gained 5/8 to \$38 1/4 on the figures. American Express showed no change at \$41 1/2.

Among industrials, the corporate reporting list was headed by AT&T, which eased 3/4 to \$20 1/2 after results. Other technology issues looked sluggish. IBM was unchanged at \$128 1/4, and Honeywell eased 5/8 to \$58 1/4. But Digital Equipment gained 1 1/4 to \$109 1/4 and Burroughs at \$61 added 3/4.

Other major reporters included Chase-Brown-Pond's, 5/4 up at \$32 1/4. Crown Zellerbach, 3/4 lower at \$43 1/4, both after trading news.

In a nervous savings and loan sector faced with a \$100m loss at a Californian thrift group, Great Western Financial, which is the largest of the quoted groups, plunged 1 1/4 to \$26 despite higher profits.

Takeover situations, real and fancied, again provided many features. Bergen Brunswig fell 5/8 to \$26 1/4 on termination of the merger talks with National Interstate, themselves 3/4 down at \$24 1/4.

Another heavy trading session left Unocal 1 1/4 down at \$48 1/4 as the board launched its defensive moves against

Mr T. Boone Pickens, both by beginning its offer of equity to debt and also disclosing the terms of its blocking plan.

A sudden reversal of confidence in a bid from Mr Ted Turner sent CBS stock plunging 5/8 to \$109 1/4. Uniroyal, determined to ward off Mr Carl Icahn, shed 5/4 to \$20 1/4.

But takeover speculation in the media sector quickly turned towards RCA, which added 5/8 to \$42 1/4 in brisk turnover. Other active issues included Phillips Petroleum, 5/8 better at \$40 1/4, and The Limited, a store chain, which fell 1 1/4 to \$37 in a sudden spate of nervous selling.

By mid-session, Treasury bills rates were losing their early losses. Three-month rates remained 7 basis points off at 7.87 per cent but the rates on longer maturities were turning upwards in the wake of the bond market.

The bond market turned abruptly lower after the reported comments on the Commerce Department's GNP estimates. The price of key long bond, barely changed in early trading, later showed a fall of 7/8 to 99 1/4.

### LONDON

## Lower rate hopes hold interest

HOPES of lower bank base rates continued to underpin London equities yesterday leaving the FT Ordinary index higher for the fourth consecutive day with a gain of 9.3 to 988.8.

Investors concentrated their buying power on blue chips and international issues were favoured such as ICI up 1 1/2p at 782p and British Telecom 3 1/2p higher at 140p. Financials were not ignored with NatWest 2 1/2p up at 58 1/2p and the oil-paid Barclays shares, the result of the recent rights issue, gaining 1 1/2p to 188p.

The stores sector, subject to much recent bid and takeover activity, was active again with Debenhams picking up 1 1/2p to a new peak of 26 1/2p, Kwik Save adding 1 1/2p to 20 1/2p and Austin Reed 6p higher at 124p.

Glits opened firm and short-dated issues maintained this trend throughout. Longs suffered a bout of indigestion after the rise since Easter, and ended the day about 1/4 lower.

Chief price changes, Pages 42; Details, Page 43; Share information service, Pages 44-45.

### EUROPE

## Stable dollar adds weight to results

THE DOLLAR'S relative stability in Europe yesterday combined with more positive corporate results to leave bourses mixed to firmer.

Trading in Frankfurt roughly paralleled the dollar's move and demand from foreign investors for blue chips was the driving force behind the day's gains. The Commerzbank index advanced 6.4 to 1,220.7.

One of the most popular issues, Siemens, the leading electrical group, added DM 5 to DM 545.50. AEG rose DM 3.20 to DM 113.10 and Brown-Boveri was DM 1 ahead at DM 213.

In steels, Thyssen was up DM 1.10 at DM 101.50 and Klöckner-Werke advanced 80 pf to DM 73.20. Krupp Stahl put on 20 pf to DM 106.00 after reporting a rise in first-quarter sales.

Utility, chemical and retailing issues all gained, while banks, which had been supported by the falling dollar, fell to profit-taking and ended easier.

The rising trend in bond prices baited as sentiment was dampened by the dollar. Gains of 10 basis points and losses of 15 points were seen. The Bundesbank sold DM 34.5m of paper after selling DM 51.2m the previous day.

Paris regained some lost ground after Tuesday's sharp decline, and prices inched higher.

Engineering and electronics issues were strongest. Thomson-CSF rose Fr 19 to Fr 588 after news that the company's earnings improved in 1984.

Zurich was spurred by healthy results and tended broadly higher across the board. Oerlikon-Bührle was SwFr 10 ahead at SwFr 1,480 after bouncing back into the black in 1984.

In a strong insurance sector, Zurich Versicherung gained SwFr 300 to SwFr 22,600 and Swiss Re, which discounted rumours that it is interested in repurchasing Commercial Union, remained unchanged at SwFr 10,450.

Banks edged higher after the announcement on Tuesday that four large banks would lower their customer time deposit rate by 1/4 point.

Bonds continued to gain, putting on about 50 basis points.

Local issues ended steady to mixed in Brussels. Wagon Lits added Bfr 70 to Bfr 2,830 and announced a one-for-five rights issue.

CB-Inno-BM, the retailer, gained Bfr 20 to Bfr 3,225 despite lower net profits for the previous year.

Quiet trading in Amsterdam left shares mixed to lower. Insurer, Nat-Ned lost Fl 2.10 to Fl 68.80 before announcing a 10 per cent jump in profits for last year. Aegon forecast improved earnings for the year but slipped Fl 3 to Fl 179.

Bond prices edged higher after the announcement of a new 7.75 per cent state loan tender with a 15-year life.

Stockholm reversed a three-day slide to end higher in moderate trading. The non-socialist opposition parties said they would cut taxes on stock dividends in a bid to boost private share savings if they win the September elections.

Madrid was also firmer on a broad front after lively trading, with gains posted by construction and communication issues.

Blue chip industrials led the market lower in Milan as investors sold before the monthly settlement of accounts.

### TOKYO

## Strong move to regain lost ground

SELECTIVE buying of oil and gas issues carried prices higher in Tokyo yesterday, with the Nikkei-Dow market average regaining nearly one-third of the ground lost the previous day, writes *Shigeo Nishiwaki of Jiji Press*.

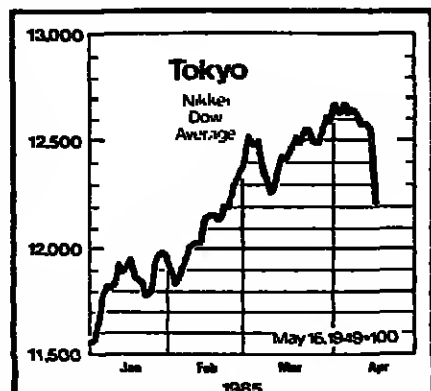
The index improved 94.78 to 12,302.06 after suffering a record drop on Tuesday. Turnover swelled from 391m to 441m shares. Declines led advances 408 to 387, with 143 issues unchanged, indicating lingering concern over the market outlook.

The Nikkei-Dow opened some 40 points weaker, but rebounded steadily, led by active buying of oil, gas and non-ferrous metals that should benefit from the yen's rally against the U.S. dollar.

Kawasaki Kisen, a main loser the pre-

vious day, firmed Y10 to Y210, remaining the most active stock with 24.28m shares. Yamashita-Shinnihon Steamship also rebounded Y3 to Y150.

Nissan Chemical, second busiest with 24.16m, soared a maximum Y80 to Y442



on talk of its business tie-up with Dow Chemical. Third active with 18.6m traded was Mitsubishi Steel, which strengthened Y45 to Y720 on expectations of a link-up with Philips of the Netherlands.

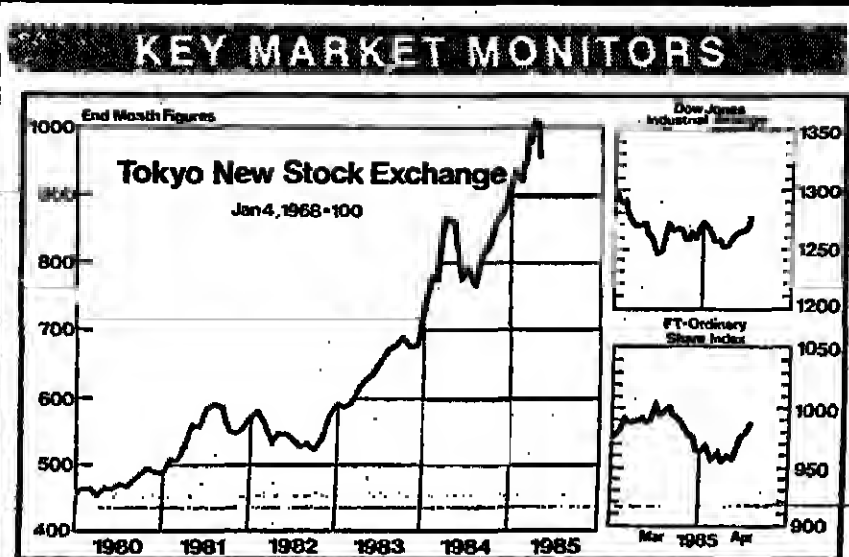
Tokyo Gas, fourth busiest with 15.01m, gained Y13 to Y190. Teikoku Oil posted a maximum allowable daily gain of Y80 to Y785, on the fifth biggest volume of 14.31m shares. Showa Shell put on Y68 to Y556 and Maruzen Oil Y19 to Y291.

Sanraku-Ocean moved up a maximum Y101 to Y1,010 on investor interest in its tie-up with Ajinomoto, which is to pave the way for an advance into pharmaceuticals.

On the other hand, previously favoured biotechnology-related stocks slumped on a wide front. Green Cross shed Y120 to Y3,050, Yamanouchi Y40 to Y3,660 and Toyo Soda Y70 to Y1,860. By contrast, Mochida surged a maximum Y500 to Y8,150 and Meitetsu Sangyo a maximum Y250 to Y2,280.

Blue chips also eased following an overnight decline in American Depositary Receipts on Wall Street. Hitachi dropped Y0 to Y780, Sony Y70 to Y4,160, Honda Motor Y40 to Y1,280 and Fuji Photo Film Y40 to Y1,660.

Bonds moved little in the absence of fresh incentives. The yield on the harmonic 7.3 per cent government bond due in December 1993 rose slightly from 6.630 per cent to 6.635 per cent.



STOCK MARKET INDICES				
	April 17	Previous	Year ago	
NEW YORK				
DJ Industrials	1,271.09	1,269.55	1,188.13	
DJ Transport	593.45	598.21	502.98	
DJ Utilities	155.21	155.78	126.64	
S&P Composite	181.44	181.19	158.97	
LONDON				
FT Ord	988.8	979.5	888.6	
FT-SE 100	1,304.0	1,290.8	1,110.2	
FT-A All-share	626.56	620.64	526.47	
FT-A 500	689.89	682.28	572.22	
FT Gold mines	521.2	535.5	679.3	
FT-A Long gilt	10.51	10.46	10.28	
TOKYO				
Nikkei-Dow	12,302.06	12,207.28	10,906.4	
Tokyo SE	953.90	954.20	854.97	
AUSTRALIA				
All Ord.	853.4	858.5	763.1	
Metals & Mins.	556.7	562.9	542.1	
AUSTRIA				
Credit Aktien	75.35	74.97	54.92	
BELGIUM				
Belgian SE	2,224.51	2,233.97	-	
CANADA				
Toronto	2,068.6	2,062.1	2,211.0	
Metals & Mins	2,648.40	2,636.11	2,333.90	
Montreal	130.50	130.06	113.51	
DENMARK				
Copenhagen SE	n/a	189.22	182.11	
FRANCE				
CAC Gen	214.3	214.8	171.1	
Ind. Tendances	117.7	117.3	88.7	
WEST GERMANY				
FAZ-Aktien	421.28	418.84	352.64	
Commerzbank	1,220.7	1,214.3	1,031.8	
HONG KONG				
Hang Seng	1,505.97	1,521.30	1,088.12	
ITALY				
Banca Com.	270.51	272.46	214.33	
NETHERLANDS				
ANP-CBS Gen	206.6	206.9	160.5	
ANP-CBS Ind	166.1	166.1	128.5	
NORWAY				
Oslo SE	310.33	306.93	281.4	
SINGAPORE				
Straits Times	793.47	794.30	998.82	
SOUTH AFRICA				
Gold	1,113.8	1,120.4	1,023.9	
Industrials	965.8	984.1	1,053.8	
SPAIN				
Madrid SE	110.86	108.43	82.29	
SWEDEN				
J & P	1,428.03	1,419.43	1,517.49	
SWITZERLAND				
Swiss Bank Ind	419.2	418.3	373.3	
WORLD				
Capital Int'l	204.0	204.8	188.1	
GOLD (per ounce)				
	April 17	Previous		
London	\$326.25	\$326.25		
Zurich	\$327.05	\$329.00		
Paris (fmg)	\$326.23	\$331.44		
Luxembourg	\$328.75	\$332.25		
New York (June)	\$329.80	\$330.80		
* Latest available figures				

### AUSTRALIA

RESOURCE issues led a decline in Sydney that took the All-Ordinaries index 5.5 lower to 853.6.

BHP, 14 cents down at A\$6.34, grabbed investor attention as a large block of its April options was traded and a flaw was discovered in its joint bid document with Shell Australia for Woodside Petroleum. Woodside dipped 1 cent to A\$1.59.

MIM Holdings eased 10 cents to A\$3.20 on suspicion of a rights issue soon while Renison gained 16 cents to A\$5.40, after A\$5.70, following good gold assay reports from Papua New Guinea.

### SINGAPORE

SHORT-COVERING and light selling pressure emerged in Singapore to leave prices mixed to lower and the Straits Times index, up 2.20 at midday, finished 0.83 down at 793.86.

Singapore mirrored the overall mood with DBS and OCBC each 5 cents cheaper at S\$6.10 and S\$8.95 respectively while Malayan Banking picked up 5 cents to S\$5.80. Plantations firmed with Consolidated 4 cents stronger at S\$2.92 and KIL Kepong 2 cents firmer at S\$2.56.

### SOUTH AFRICA

THE RETREAT by the bullion price forced an easier tone in moderate Johannesburg trading.

Among leading gold issues, Free State Geduld fell R1 to R57.50 and Driefontein dipped 75 cents to R54.50 although Buffels moved against the trend with a 25-cent rise to R88, thus recovering some of the ground lost on Tuesday.

The weakness in golds spread to other miners with a 25-cent drop to R17.50 for Rustenburg Platinum and a 10-cent fall to R10.35 for diamond share De Beers.

### HONG KONG

INSTITUTIONAL selling triggered a spate of profit-taking in Hong Kong as the Hang Seng index fell 15.33 to 1,505.97 during the regular half-day session.

Sentiment remained bullish, however, on the prospects of lower domestic interest rates and a favourable outcome of the Government's sale of a central city property development site.

### CANADA

LARGE LOSSES by gold shares failed to halt a small upturn in Toronto.

Among golds, Lac fell C\$3 to C\$34 1/2, Dome Mines eased C\$4 to C\$13 and Pegasus dropped C\$5 to C\$12 1/2. Other active traded issues included Moore Corp steady at C\$23 1/2, Dome Petroleum 5 cents ahead at C\$3.55 and Hiram Walker Resources C\$3 up at C\$30.

Banks displayed the greatest strength in Montreal while industrials managed steady progress.

## Who's helping German, Swedish and Dutch businesses move to Yorkshire & Humberside?



If we said the Yorkshire and Humberside Development Association, you probably wouldn't be surprised. And by now you probably know all about our situation, in the heart of the UK yet with direct access by air and sea to Europe's most prosperous regions. And about our financial incentives, excellent workforce and housing facilities. But unless you've actually lived here, you may not know that we've also some of the friendliest people and most attractive, varied countryside anywhere in the world.

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*Prices at 3pm, April 17*

**Continued on Page**



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**Continued on Page 42**

[illegible]**INTERNATIONAL EDITION**

Separate company insets are also available in our international edition as well as our London edition and if you should require any further information on the above, please contact your usual Financial Times representative



## WORLD STOCK MARKETS

[illegible]**CANADA**

Sales	Stock	High	Low	Open	Close	Sales	Stock	High	Low	Open	Close	Sales	Stock	High	Low	Open	Close
<div><div>TORONTO</div><div>Prices at 1:30pm</div><div>April 17</div></div>																	
18010	Celanese	37 1/2	7 1/2	7 1/2	+	400	Imperial	31 1/2	15 1/2	15 1/2	+	1000	Roper A	39 1/2	5 1/2	5 1/2	+
15151	Chl. Bank	780	120	120	+	1000	Imperial	31 1/2	15 1/2	15 1/2	+	1000	Roper A	39 1/2	5 1/2	5 1/2	+
1000	Chl. Bank	39 1/2	5 1/2	5 1/2	+	14100	Int. Thrm	32 1/2	8 1/2	8 1/2	+	1000	Rochman	39 1/2	5 1/2	5 1/2	+
50	Conwest A	36 1/2	8 1/2	8 1/2	+	4523	Int. Pipe	32 1/2	8 1/2	8 1/2	+	12500	Sampson	39 1/2	5 1/2	5 1/2	+
10800	Conwest B	36 1/2	8 1/2	8 1/2	+	1000	Int. Pipe	32 1/2	8 1/2	8 1/2	+	1000	Sampson	39 1/2	5 1/2	5 1/2	+
15000	Crown	518	17 1/2	17 1/2	+	9000	Jannock	31 1/2	11 1/2	11 1/2	+	1700	Sears Can	37 1/2	7 1/2	7 1/2	+
11420	Cracker	186	18 1/2	18 1/2	+	50	Karr Kofa	123	123	123	+	42887	Shell Can	32 1/2	2 1/2	2 1/2	+
2027	Don Don	45 1/2	45 1/2	45 1/2	+	22946	Lambert	32 1/2	23 1/2	23 1/2	+	700	Southm	32 1/2	2 1/2	2 1/2	+
59380	Dennison A	81 1/2	12 1/2	12 1/2	+	18108	Lds Merts	34 1/2	34 1/2	34 1/2	+	500	St Brodick	112 1/2	12 1/2	12 1/2	+
60626	Dennison B	81 1/2	12 1/2	12 1/2	+	1000	Lds Merts	34 1/2	34 1/2	34 1/2	+	500	St Brodick	112 1/2	12 1/2	12 1/2	+
1950	Diamond A	5 1/2	6 1/2	6 1/2	+	1000	Lds Merts	34 1/2	34 1/2	34 1/2	+	500	St Brodick	112 1/2	12 1/2	12 1/2	+
1950	Diamond B	5 1/2	6 1/2	6 1/2	+	1000	Lds Merts	34 1/2	34 1/2	34 1/2	+	500	St Brodick	112 1/2	12 1/2	12 1/2	+
1000	Diamond C	5 1/2	6 1/2	6 1/2	+	1000	Lds Merts	34 1/2	34 1/2	34 1/2	+	500	St Brodick	112 1/2	12 1/2	12 1/2	+
4700	Dorman A	207	205	205	+	168910	LOH H A	518	17 1/2	17 1/2	+	1200	Tack	32 1/2	22 1/2	22 1/2	+
1835	Dorcas A	32 1/2	36 1/2	36 1/2	+	1000	MOB H A	518	17 1/2	17 1/2	+	1200	Tack	32 1/2	22 1/2	22 1/2	+
1950	Dorcas B	32 1/2	36 1/2	36 1/2	+	1000	MOB H A	518	17 1/2	17 1/2	+	1200	Tack	32 1/2	22 1/2	22 1/2	+
5300	Dyke A	54 1/2	41 1/2	41 1/2	+	23232	Molson A	430	430	430	+	1000	Telnyne	111 1/2	11 1/2	11 1/2	+
5000	Elctron X	57 1/2	7 1/2	7 1/2	+	1300	Molson A	430	430	430	+	7400	Ten Can	33 1/2	36 1/2	36 1/2	+
5300	Elctron Y	57 1/2	7 1/2	7 1/2	+	1000	Molson A	430	430	430	+	1000	Ten Can	33 1/2	36 1/2	36 1/2	+
1000	Falcon C	81 1/2	18 1/2	18 1/2	+	1000	Molson A	430	430	430	+	1000	Ten Can	33 1/2	36 1/2	36 1/2	+
19178	Falcon B	1105	105	105	+	2173	Naborsco	32 1/2	23 1/2	23 1/2	+	18521	Tor Dm Br	81 1/2	18 1/2	18 1/2	+
1000	Falcon C	81 1/2	18 1/2	18 1/2	+	36223	Nalco A	36 1/2	8 1/2	8 1/2	+	1000	Tor Dm Br	81 1/2	18 1/2	18 1/2	+
1000	Falcon C	81 1/2	18 1/2	18 1/2	+	36223	Nalco A	36 1/2	8 1/2	8 1/2	+	1000	Tor Dm Br	81 1/2	18 1/2	18 1/2	+
1000	Falcon C	81 1/2	18 1/2	18 1/2	+	36223	Nalco A	36 1/2	8 1/2	8 1/2	+	1000	Tor Dm Br	81 1/2	18 1/2	18 1/2	+
224639	Fid Ind A	31 1/2	13 1/2	13 1/2	+	30682	NWMA A	55	55	55	+	55081	Tranvia Ula	32 1/2	25 1/2	25 1/2	+
1000	Finegold	22	22	22	+	6273	Oakwood	7 1/2	7 1/2	7 1/2	+	9330	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1000	Finegold	22	22	22	+	1000	Orbit A	52 1/2	24 1/2	24 1/2	+	1000	Tric PL	32 1/2	24 1/2	24 1/2	+
1																	

## AMERICAN STOCK EXCHANGE PRICES

[illegible]**OVER-THE-COUNTER** *Nasdaq national market, 2pm price*[illegible]

## LONDON

Chief price changes (in pence unless otherwise indicated)		
RISES		
EN 24% 1986	621% + 3	
Appledee	210 + 10	
Barclays (N/2)	186 + 18	
Bensford	167 + 7	
Mass Mass Toll	235 + 30	
IP	547 + 12	
British Tel	140 + 3 1/2	
Beebham	281 + 14	
Latam	189 + 13	
Forward Techn	328 + 4	
Ali (Matthew)	328 + 14	
CI	782 + 19	
omice	60 + 16	
Alama-co	32 + 4	
Bank Save	204 + 14	
asmo	322 + 12	
Midland Bank	350 + 12	
Midland Marts	104 + 14	
atWest	595 + 23	
EI	88 + 9 1/2	
Oil Petroleum	149 + 15	
AMC	364 + 6	
Capital Electronics	210 + 6	
eed (Austin)	124 + 8	
othmans Int'l	171 + 7	
TC	206 + 9	
osper	275 + 24	
FALLS		
EN 13% 2004 08	E123% - 4	
EN 2 1/2% 11. 2011	E104% - 24	
inet Holdings	250 - 24	

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# AUTHORISED UNIT TRUSTS

Abbey Unit Tr. Mgmt. (s)  
13 St Paul's Churchyard, EC4P 3DQ

High Income  
100% Equity  
100% Growth  
100% Income  
100% Dividend  
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## FT UNIT TRUST INFORMATION SERVICE

James Flaherty Unit Trust Mgmt. Ltd.  
10-14, West Nile Street, Glasgow  
041-204 1121

Robert Fleming & Co Ltd  
8, Crosby Square, EC2A 4AH  
041-439 5859

Franklin Unit Trust Mgmt. Ltd.  
1, Lombard Street, EC2M 5RH  
041-428 5181

Robert Fraser Trust Mgmt. Ltd.  
28, Abchurch Lane, EC4N 3DF  
041-478 3221

Friends Prov. Trust Managers (s)(s)(s)  
F.P.T. Trust Mgmt. Ltd.  
7, Finsbury Square, EC2A 1EX  
041-405 4000

GAM Sterling Management Ltd.  
1, Lombard Street, EC2M 5RH  
041-428 5181

Capel (James) Mgmt. Ltd.  
1, Lombard Street, EC2M 5RH  
041-428 5181

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041-428 5181

Financial Times Thursday April 18 1983

City of Westminster Assurance  
100, Abchurch Lane, EC4N 3DF  
041-478 3221

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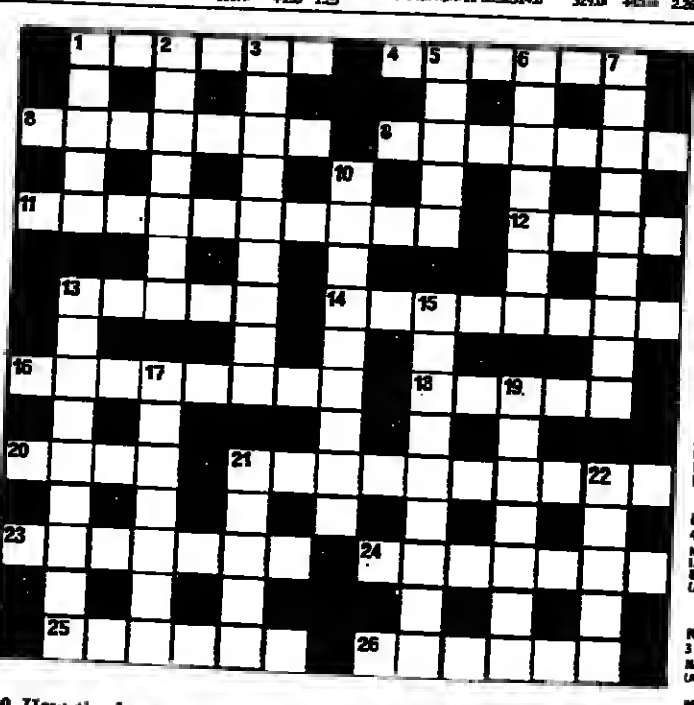
### F.T. CROSSWORD PUZZLE No. 5,696

ACROSS

- One in the biology class is very bright (6)
- Himalayan turn of phrase (6)
- Money making gifts (7)
- The fighter's craft (7)
- Rich and of high standing? (4-6)
- I return to a character of little importance (4)
- Set method of communication (5)
- Boy as getting cocktalls (8)
- French leader who turned an East European on (8)
- It's bound to be a shock (5)
- Number of feet in style, what an eyesore (4)
- Not a direct form of slander (10)
- Come back right away with a new cover? (7)
- Marked dates in wrongly (7)
- Fan set out for (6)
- Coming for a time before Christmas (6)

DOWN

- The elegance of a famous cricketer (5)
- Poverty led to being irritated (7)
- In great difficulty, but the flag is still flying (2,3,4)
- Set great store by (5)
- A cross in Italy shows where a composer is buried (7)
- One who is may not understand too much of a good thing (1,3,5)



Solution to Puzzle No. 5,695

ACROSS

1 One in the biology class is very bright (6)

2 Himalayan turn of phrase (6)

3 Money making gifts (7)

4 The fighter's craft (7)

5 Rich and of high standing? (4-6)

6 I return to a character of little importance (4)

7 Set method of communication (5)

8 Boy as getting cocktalls (8)

9 French leader who turned an East European on (8)

10 It's bound to be a shock (5)

11 Number of feet in style, what an eyesore (4)

12 Not a direct form of slander (10)

13 Come back right away with a new cover? (7)

14 Marked dates in wrongly (7)

15 Fan set out for (6)

16 Coming for a time before Christmas (6)

17 How the heat can knock one out (9)

18 Boars feet cooked as traditional English fare (5,4)

19 Jack took a break outside and then went back to work (9)

20 The coolest wild cats? (7)

21 One must do it to survive (7)

22 Poet is soundly swindled (5)

23 Patent feature of a hover-train (5)

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## CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

## Dollar resists at DM3.00

The dollar traded steadily around DM 3.02-3.03 for most of the day. This was slightly below Tuesday's level but well above the low of DM 2.9570 touched in early trading. The sharp fall followed selling of the dollar in the Far East, on speculation the Federal Reserve Board may have altered its monetary policy to the face of slower U.S. economic growth.

The U.S. central bank injected \$200 of permanent reserves into the New York banking system on Tuesday, and although this may have been a technical move it led to a fall in the Federal funds overnight rate and lower Euro-dollar rates.

The level of DM 3.00 is proving an important resistance point however, and the dollar soon rebounded from its lows, and showed little reaction to an anticipated rise of 0.5 per cent in March U.S. personal income and a fall of 0.5 per cent in personal spending.

There was reluctance to take out new positions ahead of today's revised first quarter Gross National Product announcement. The earlier flash estimate suggested growth of 2.1 per cent, but the latest forecasts vary considerably between about 1 per cent and 2.5 per cent, although dealers fear the figure will be on the low side.

The dollar fell to DM 3.0265 from DM 3.03; FFR 9.23 from FFR 9.2475; SwFr 2.5250 from SwFr 2.5295; and Y249.35 from Y249.50.

On Bank of England figures the dollar's index rose to 144.1 from 144.0. Sterling - Trading range 1.2785 to 1.2855. March average 1.2785. Exchange rate index rose 0.3 to 79.4. It also opened at 79.4, and touched an early peak of 79.8 at 9 am, but after falling back to 79.4 at 11 am showed little movement for the rest of the day.

Sterling tended to drift down slowly after a strong start, but finished slightly higher on the day. The pound remains supported by high London interest rates, although a further cut is expected.

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12 1/2 per cent to bank base rates has probably been discounted. Sterling touched a peak of \$1.2865, but closed only 35 points up at \$1.2780-1.2790. This was the highest level since mid-September, and the pound also advanced to DM 3.87 from DM 3.8575; FFR 11.7950 from FFR 11.7525; SwFr 2.53 from SwFr 2.5250; and Y310 from Y310.

D-MARK - Trading range 3.8575 to 3.87. March average 3.8575. Exchange rate index rose 0.3 to 122.6 against 122.4 six months ago.

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## FINANCIAL FUTURES

## Eurodollars firm

Euro-dollar prices rose in the London International Financial Futures Exchange yesterday, helped by lower cash rates. The rise came despite feelings that the recent firmer trend lacked any prospect of consolidation but was sufficient to offset any bearish tendency for the time being.

The firmer trend reflected attempts by the federal authorities to massage short term liquidity levels, possibly in a desire not to exacerbate current problems experienced by certain sectors of the banking system, and also on rosette indications.

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that the pace of U.S. economic growth may be slackening. There was however an unwillingness to indulge too much in the higher levels ahead of today's U.S. revised first quarter GNP figures, the latter having assumed crucial proportions in affecting market sentiment. Sterling based instruments finished on a weaker note as the market showed some concern over the recent sharp improvement in sterling and its increased vulnerability to a downward correction. The June gilt contract encouraged strong resistance around the 107-20 level and drifted away to finish at 107-06, down from 107-16 on Tuesday.

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Head of Quotations Dept., The Stock Exchange  
John MacArthur  
Director, Kleinwort Benson  
David Hudson  
Head of Corporate Finance, James Capel & Co.  
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## OTHER CURRENCIES

Apr. 17	£	\$	Notes	
Argentina Peso	504.42-505.97	395.10-395.51	Austria	27.00-27.30
Australia Dollar	1.0593-1.0670	1.0593-1.0670	Belgium	78.00-78.00
Brazil Cruzeiro	1.7028-1.7092	1.7028-1.7092	Canada Dollar	1.0593-1.0670
Canada Dollar	1.0593-1.0670	1.0593-1.0670	Denmark	11.75-11.85
Denmark	11.75-11.85	11.75-11.85	France Franc	6.55-6.65
France Franc	6.55-6.65	6.55-6.65	Germany Mark	3.85-3.95
Germany Mark	3.85-3.95	3.85-3.95	Italy Lira	1.175-1.185
Italy Lira	1.175-1.185	1.175-1.185	Japan Yen	160.00-160.00
Japan Yen	160.00-160.00	160.00-160.00	Netherlands	2.20-2.20
Kuwait/Dinar(Dir)	0.3880-0.3940	0.3006-0.3075	Norway	11.75-11.85
Luxembourg P	70.77-70.90	6.55-6.65	Spain	166.67-166.67
Malaysia Ringgit	5.1290-5.1360	2.2045-2.2115	Sweden	4.60-4.60
New Zealand(Dollar)	8.7800-8.7800	2.1075-2.1080	Switzerland	200-218
Philippines(Peso)	1.0593-1.0670	1.0593-1.0670	Taiwan	20.00-20.00
Singapore Dollar	2.3150-2.3210	2.2045-2.2115	United Kingdom	1.00-1.00
Taiwan New Dollar	2.4616-2.4630	1.1910-1.1915	United States	1.975-1.291
Taiwan New Dollar	2.4616-2.4630	1.1910-1.1915	Yugoslavia	510-560
U.S. Dollar	4.9950-4.9906	5.6770-5.6730		
		\$ Selling rate.		

\* Selling rate.

## CURRENCY MOVEMENTS

Apr. 17	Bank of England Index	Morgan Guaranty Index	Quaranty Index	Change %
Sterling	70.5	-10.7		
U.S. dollar	144.1	+25.8		
Canadian dollar	105.5	+5.8		
Australian dollar	110.5	+5.8		
Belgian franc	89.7	-10.7		
Dutch guilder	119.7	+0.0		
French franc	122.6	+0.0		
German mark	144.1	+25.8		
Italian lira	117.5	+11.5		
Japanese yen	160.0	+0.0		
New Zealand dollar	125.0	+11.5		
Portuguese escudo	200.0			
Spanish peseta	166.7	+11.5		
Swiss franc	148.3	+11.5		
Yugoslav dinar	133.3	+11.5		

Apr 17	rate %	Drawing Rights	Current Unit
Sterling	0	0.779988	0.507748
U.S. F.	10.39	0.0999585	1.04444
Canadian \$	10.39		1.04444
Austrian Sch.	14 1/2	51.5261	10.7177
Belgian F.	10.39		10.7177
Danish Kr.	7	10.8293	0.142676
Denmark	4 1/2	10.8293	2.29648
French F.	10.39		2.29648
French F.	9	9.10161	5.83101
German M.	10.39		5.83101
Italy	5	8.84880	184.539
Norway Kr.	8	8.73965	6.47058
Spain	12 1/2	12.7167	16.7167
Sweden S.	0	2.5158	5.54282
Swiss F.	20 1/2	2.5158	1.85052
Yugoslav D.	12 1/2	12.7167	16.7167
Irish Punt	18 1/2	0.0636101	0.716005

Morgan Guaranty changes: average	100-1982=100	Bank of England index	(base 1950, 1975=100).
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CS/SDR rate for April 16/1 1961



